FBIS DAILY REPORT

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FURTHER REPORTAGE ON GRINSPUN RESIGNATION

Argues With Garcia Vazquez

PY191730 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1257 GMT 19 Feb 85

[Excerpts] Buenos Aires, 19 Feb (NA) -- Economy Minister-designate Juan Sourrouille and Central Bank President-designate Alfredo Concepcion may order "immediate changes" in the economic team and the bank executive board, according to financial sources. These sources also said that Bernardo Grinspun would be appointed ambassador to the United States, and former Central Bank President Garcia Vazquez would be offered the position of secretary of the Planning Secretariat, an agency directly under the presidency.

According to the most reliable information that could be obtained, the developments that ended yesterday with the resignation of the economy minister and the Central Bank president began at the finance palace when they met with the head of the IMF mission, Joaquin Ferran.

Shortly after the meeting got under way, Grinspun and Ferran started to argue in a tone that became very shrill until Grinspun, hollering, threatened Ferran that he would write a letter to the IMF Executive Board to request his dismissal. Garcia Vazquez, who witnessed the incident, reportedly became irritated over the incident and told Grinspun that "I can no longer put up with your outbursts," and that he was going "immediately" to see President Alfonsin.

The two officials later met with the president in his office and a new argument began, which ended when the two submitted their resignation to President Alfonsin. The president accepted their resignations immediately, since this incident was the latest one in a series of confrontations between Grinspun and Garcia Vazquez, including differences between the now former minister and a number of officials in the economic area.

Politicians, Others React

PY201535 [Editorial Report] Buenos Aires DYN in Spanish at 0112 GMT on 19 February carries the reaction of Rogelio Frigerio, vice president of the Integration and Development Movement, to the resignation of Economy Minister Bernardo Grinspun. Frigerio said that Grinspun's resignation "is the beginning of a crisis caused by an economic policy incapable of successfully facing the inherited problems." He added that, "unfortunately, the decisions that must be made to overcome the crisis do not depend on the Economy Ministry but on the president."

Buenos Aires NOTICIAS ARGENTINAS in Sapnish at 1245 GMT on 19 February carries reactions by businessman Roberto Favelevic and union leader Jorge Triaca to the resignations of Bernardo Grispun and Central Bank President Enrique Garcia Vazquez. They said that Grinspun's and Garcia Vazquez' resignations "open favorable prospects for the economic future of the country, and the changes will not affect the government-business-union negotiations." Favelevic, president of the Argentine Industrial Union, also said that the appointment of Juan Sourrouille as economy minister "opens favorable prospects." He added that Grispun had created a "complicated situation for the Industrial Union with the price control mechamisms which did not work well." However, he praised Grinspun for having solved the foreign debt problem.

Buenos Aires DYN in Spanish at 1945 GMT on 19 February carries comments by Simon Lazara, leader of the Authentic Socialist Party, and Athos Fava, head of the Communist Party, in relation to Grinspun's resignation. Lazara pointed out that "Grinspun's administration became untenable due to uncontrolled inflation, the reappearance of problems in the external sector, and conflicts in the social area." Fava said that "the Communist Party reiterates that the current serious situation will only be solved by rejecting the IMF impositions, by reviewing the agreements with the international banks, and by implementing a policy to prevent the people from bearing the burdens of the crisis."

Buenos Aires NOTICIAS ARGENTINAS in Spanish at 0140 GMT on 19 February reports statements made by Antonio Napoli and Cesar Jaroslavskiy, presidents of the Senate and Chamber of Deputies blocs of the Radical Civic Union, respectively. They both agreed that Grinspun and Garcia Vazquez "played an important roles" in the government administration, and that "they were successful in renegotiating the foreign debt and reducing the fiscal deficit."

Grinspun Criticizes Newsmen

PY201840 Buenos Aires BUENOS AIRES HERALD in English 20 Feb 85 p 7

[Text] Mar del Plata (NA) -- Outgoing Economy Minister Bernardo Grinspun yesterday severely criticized journalists Bernardo Neustadt, Mariano Grondona, Joaquin Morales Sola, Jesus Iglesias Rouco and Julio Ramos whom he said were despicable and used democratic freedoms against the country. In statements to the local daily LA CAPITAL during the weekend when his resignation was still unknown, Grinspun said Neustadt and Grondona were "veritable sewers of Argentine journalism." Morales Sola, the head of the political section of the daily CLARIN, was an "exponent of rightwing coup mongering and a lackey of the dictatorship." On Ramos, editor of the periodical AMBITO FINANCIERO, Grinspun said he was "another of those complacent with the dictatorship and now is impatient with democracy." Grinspun was particularly severe with LA PRENSA columnist Iglesias Rouco, who he claimed was "destroying one of the country's best dailies."

SOURROUILLE SWORN IN AS ECONOMY MINISTER

PY200200 Buenos Aires TELAM in Spanish 2112 GMT 19 Feb 85

[Text] Buenos Aires, 19 Feb (TELAM) -- At 1807 local time President Raul Alfonsin swore in, in the name of God, the fatherland, and the Holy Scriptures, the new economy minister, Juan Sourrouille, who then gave a warm embrace to his predecessor Bernardo Grinspun. Alfonsin emphasized Grinspun's love for Argentina and the wisdom of his administration. Alfonsin said that some day we will recall Grinspun's struggle for the defense of national dignity. The ceremony held in the White Hall of Government House was attended by Vice President Victor Martinez, Juan Carlos Pugliese, president of the Chamber of Deputies, the remaining seven ministers of the national cabinet, and other civilian and military officials.

Releases Statement

PY200226 Buenos Aires TELAM in Spanish 2203 GMT 19 Feb 85

[Text] Buenos Aires, 19 Feb (TELAM) -- The short-term policy that will be implemented by Juan Sourruille, the new economy minister, "will have as its main guideline the recovery of the country's growth capability, which has been blocked by the course that inflation has taken."

This remark is contained in a statement released today by the economy minister just a few minutes after he was sworn in by President Raul Alfonsin. The following is the text of Sourrouille's statement:

"The president has honored my by naming me as economy minister. I have accepted this mission because I am another Argentine who supports the line of democratic affirmation and renovation that placed Raul Alfonsin in the presidency. I will give all I have in using these ideals to guide me in the task entrusted to me. We are experiencing hard times. This means that we must act with prudence and responsibility. As soon as I have formed my team, I will announce the decisions that will be the basis of the short-term policy, which will have as its main guideline the recovery from the course that inflation has taken."

Discusses Inflation

PY202125 Buenos Aires TELAM in Spanish 1154 GMT 20 Feb 85

[Text] Mar del Plata, 20 Feb (TELAM) -- In order to implement a successful economic growth strategy, inflation should be better controlled, Economy Minister Juan Vital Sourrouille has said. It is impossible to make any progress in this proposed strategy, mainly in substantially increasing investments, with the current rate of price increases, he added.

These statements by Sourrouille have been published in a Buenos Aires newspaper, but they were made before he was appointed economy minister.

Sourrouille said that the inflationary and uncertain conditions make it very difficult for economists to estimate future relative prices on which to base medium-term decisions (an investment is typical of this kind of decision). Consequently, it is very difficult to make effective price forecasts for an economic growth strategy.

"Our proposed strategy of economic growth," he said, "does not intend to outline an anti-inflationary policy. However, two concepts are stressed throughout our proposal: First, in order to achieve a viable economic growth program we need to reduce the inflation rate and maintain the level of some key prices, such as foreign currency exchange rates, salaries, interest rates, and public service rates. In the second place," he added, "the economic policy should not exhaust itself in an anti-inflation fight. If a stabilizing policy lacks a long-range objective, it will become useless and ineffective for its specific objectives."

In the struggle against inflation, Sourrouille said, the public sector's attitude should be that of following the guidelines of our economic growth strategy. This implies reducing the fiscal deficit, recovering investment levels, controlling tax evasion, and increasing the collection of progressive taxes, he added.

Sourrouille said that in order to achieve these objectives the public sector's efficiency should be significantly improved. The administrative, management, and control mechanisms of state companies will have to be improved. The government will have to put its fiscal accounting in order, so that the inflationary mechanisms will be controlled.

Regarding the private sector, specificallly the businessmen, workers, and the leading groups in general, Sourrouille said that they should also contribute to reducing inflation.

"It must be understood that all the claims from the various sectors cannot be attended to equally," he said, "and that the profound Argentine problems demand that the social sectors comply with their obligations, just as they claim their rights." He said that it is necessary to modify the habits and tendencies that have caused inflation to become the most acute expression of our troubles, in order to find a way to solve our conflicts. Finally Sourrouille stressed that a firm and lasting solution to our conflicts will result from maintaining the socioeconomic contract talks to find the most rational and fair compromise possible between sectorial aspirations and the country's problems.

PERONISTS BLOCK SENATE DEBATE ON BEAGLE TREATY

PY210200 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0025 GMT 20 Feb 85

[Excerpts] Buenos Aires, 20 Feb (NA) -- The Peronist bloc in the Senate tonight decided to reject a request by the Radical Civic Union [UCR] to debate the Beagle treaty with Chile on 6 March. Furthermore, the Peronist bloc refused to supply an alternate date, thus posing difficulties for the ratification of the accord before President Raul Alfonsin's departure for the United States on 17 March.

Senator Oraldo Britos, vice president of the Peronist bloc in the Senate and first vice president of the dissident Justicialist National Council, made a statement after an impromptu meeting of Peronist lawmakers called to discuss the request received from the UCR.

Antonio Napoli, president of the Radical bloc in the Senate, asked a few hours earlier at a meeting of bloc leaders, from which only the Integration and Development Movement and the Neuquen Popular Movement were absent, that the debate on the Beagle treaty take place no later than 6 or 7 March in view of President Alfonsin's "concern" that the subject "should be dealt with as soon as possible." Napoli's request was also prompted by a tour to Japan which senators from various political parties are scheduled to make as of 11 March.

The Peronist bloc's decision was reached at an informal meeting during which some 10 senators of this bloc currently in the capital were asked for their opinion about the UCR request. Britos briefly disclosed the result of the meeting and reiterated that the Peronists will vote against the treaty, although he did not state whether the voting itself had been discussed at the meeting held today.

SOVIET EMBASSY OFFICIAL DISCUSSES TRADE

PY151935 Buenos Aires DYN in Spanish 2353 GMT 14 Feb 85

[Text] Buenos Aires, 14 Feb (DYN) -- Aleksandr Kovalev, the Soviet commercial attache in Buenos Aires, today said that Argentina continues to be "the number one commercial partner of the Soviet Union in Latin America." The Soviet official also said that the Soviet Union is currently "the most important buyer in Argentina." He also revealed that trade between the two countries represents an income of over $1.3 billion for Argentina, but that Argentine purchases from the USSR total only $30 million.

During a press conference held in the Mendoza House in this capital which was attended by Mendoza Governor Santiago Llaver, Kovalev discussed the results of the eighth meeting of the Argentine-Soviet joint commission for economic, commercial, and scientific cooperation recently held in Buenos Aires. On that occasion, Argentina confirmed that it would increase its purchases from the USSR.

The Soviet official indicated that the growth in the volume of trade would be favored by putting into operation "new methodologies," such as industrial cooperation with the participation of Argentine enterprises; the sale of licenses and technology; direct commercial contacts between Soviet commercial organizations and Argentine provinces; and the implementation of purchase and sale operations. In this regard Kovalev emphasized the latest agreements signed with Mendoza Province which purchased antihail rockets and 17 trolleybuses, and sold 15,500 tons of wine. He also reported that during the latest mixed commission meeting the Soviet Union delivered a detailed list of products that the USSR is willing to sell Argentina. Kovalev announced the "Soviet willingness" to participate in the large hydroelectric projects of Piedra del Aguila, and Parana Medio, and the remodeling of the Bahia Blanca port.

He also emphasized that the Soviet Union has an "active foreign policy" aimed at "saving humanity from the threat of nuclear war," and stopping "the arms race." He added that this policy responds "not only to the interests of the Soviet people, but to the interests of all the people in the world." He said: "For this reason we are willing to cooperate in an honorable and constructive manner with nations which, by their practices, advocate peace. To do this we have an important and safe tool which is trade, an activity which contributes to strengthen mutual trust."

In conclusion, Kovalev said that last year the Soviet Union purchased 7.4 million tons of grain from Argentina.

YPF PRESIDENT RESIGNS OVER DISAGREEMENTS

PY201638 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1205 GMT 20 Feb 85

[Excerpts] Buenos Aires, 20 Feb (NA) -- The president of the Government Oil Deposits [YPF], Hector Fiorioli, has reported that yesterday he presented his resignation to Public Works and Services Minister Roque Carranza, and that this morning he gave a copy of his resignation to Energy Secretary Conrado Storani. Reliable sources have stated that Fiorioli resigned because of disagreements within the YPF Executive Board and disagreements between Fiorioli and Storani. According to the same sources, these disagreements began when private enterprises were granted concessions to explit petroleum zones, and they worsened when YPF was told about the need to purchase 2 million tons of crude oil from the Soviet Union.

CNEA HEAD ON APPROVAL OF TLATELOLCO TREATY

PY151850 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1705 GMT 15 Feb 85

[Text] Buenos Aires, 15 Feb (NA) -- Alberto Constantini, chairman of the National Atomic Energy Commission (CNEA), today stated that at the present stage of Argentina's nuclear development "to ratify or not the Tlatelolco Treaty would not affect or modify in any way the progress of the nation's nuclear plan," although he emphasized that the nation would enjoy certain benefits by supporting this treaty, which opposes the proliferation of nuclear weapons in Latin America. He added: "From the technical viewpoint, ratifying the Tlatelolco Treaty would give us access to technology which we do not have and would facilitate our cooperation with nations of high nuclear development."

Constantini also announced that the National Corporation of Nuclear Power Plants (ENACE) has changed its executive board, and that a call for bids has been made for the construction of the system of pipes at the Atucha II plant.

Speaking to NOTICIAS ARGENTINAS, Constantini indicated that the ratification of the Tlatelolco Treaty "is an foreign policy decision rather than a technological one and should, therefore, be made by the Foreign Ministry." The ratification of the Tlatelolco Treaty, signed in 1967, will be one of the subjects Presidents Raul Alfonsin and Ronald Reagan will discuss during Alfonsin's official visit to the United States, which will begin on 18 March. Asked whether the ratification of the treaty would have negative consequences on the plans to export Argentine nuclear technology to the rest of Latin America, Constantini downplayed this possibility.

Constantini recalled the difficulties Argentina had to face in order to develop its own nuclear technology because of the sanctions imposed by those countries that had already made progress in this field over the past 2 decades. As an example of these difficulties, he mentioned the fact that Argentina had even been refused uranium enriched to 90 percent for the production of radio isotopes mainly used for medical purposes. Constantini asserted that "these obstacles prompted us to replace foreign technology with our own, developed through research." He stated that the ratification of the agreement, on one hand, "could allow the entrance of some technologies" into the country and, on the other hand, "since necessity is the mother of invention, nonratification would imply a new effort to substitute what we cannot obtain through that channel."

Moreover, Constantini announced that the new executive board of ENACE, the enterprise in charge of constructing the Atucha II plant, was established last week as follows: Santiago Pinaso, president; Carlos Golan, Norberto Japas, and Carlos Rinaldi, directors; as well as a director representing the German enterprise KWU. When he was asked whether some of the jobs to be carried out by ENACE would be awarded to private consultant enterprises, Constantini said that "that is not what is being done. What we are doing is normalizing the mechanical engineering work that was being carried out by three enterprises working on a direct contract basis." He disclosed that a letter was sent today to 10 other enterprises which were on the list to do with work so that they "may supply further information on their backgrounds, stating whether they have any experience in similar jobs," in order to call a public bid to award these contracts. Constantini noted that "they will be given a chance to participate so as to allow them to become more technically advanced." He also noted the need "for important technologies to be developed each day by trained engineers and engineering companies." He stated that this step "constitutes the democratization in the distribution of this kind of work and the enforcement of laws and bids on public projects." Constantini said that "the reorganization of ENACE, which after 5 years in operation is showing some aging in mechanisms, is under study."

Constantini also requested that "those who are concerned" over the CNEA "should wait and see the results of my administration before criticizing me."

URANIUM ENRICHING THREATENED BY BUDGET CUTS

PY152105 Buenos Aires BUENOS AIRES HERALD in English 15 Feb 85 p 7

[Text] (NA) -- Uranium enriching research may fall behind schedule and if it does it is most likely that it will be due to delays in fund allocation, National Atomic Energy Commission (CNEA) Research and Development Director Mario Mariscotti said in an interview with a Buenos Aires periodical yesterday. Mariscotti explained that the Pilcaniyeu Group orject, involving small 20-megawatt nuclear power plants, "would be able to produce low-cost electricity for towns of up to 30,000 inhabitants, and in some cases might also serve those regions trying to attract new industry." He denied a world tendency to reduce the use of nuclear energy and said he expected "Argentina's hydroelectric capability to triple within the next 20 years."

FIGUEIREDO DEDICATES AIR DEFENSE, CONTROL SYSTEM

PY152200 Sao Paulo Radio Bandeirantes in Portuguese 1555 GMT 15 Feb 85

[Text] DACTA II, the air defense and air traffic control system that will track airplanes in the entire southern region in Brazil, is already operating. The DACTA II system was dedicated (?today) by President Figueiredo during a ceremony held at the (Pacaxari) base in Curitiba.

DACTA II's tracking capability includes Uruguay and part of Argentina. Its total cost has been assessed at $195 million. The aeronautics minister, who attended the ceremony, stated that this is the most important project of his administration.

President Figueiredo will travel from Curitiba directly to Rio de Janeiro staying in the Dragao villa, a property he owns in Nogueira. He is expected return to Brasilia on Ash Wednesday.

NEVES COMMISSION SUBMITS ECONOMIC PROPOSALS

PY162325 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Feb 85 p 7

[Text] After 2 months, the Government Action Plan Commission [Comissao Para o Plano de Acao do Governor -- COPAG] today submitted to President-elect Tancredo Neves documents which it has prepared to keep the future government's economic policy within the general guidelines that seek economic recovery and curbing inflation.

COPAG coordinator Jose Serra disclosed that the 11 documents are divided into three groups. The first one refers to the foreign debt macroeconomic problem, the domestic debt, and to the social security sector; the second group refers to the sectorial policy covering the industrial, agricultural, energy, scientific and technological sectors; and the third group refers to poverty, unemployment, hunger, and housing.

The COPAG proposed to the president-elect an "employment and supply" program aimed at tackling the unemployment problem. This program is based on the basic idea that, from the social point of view, the country must be modernized. Thus it provides for the creation, during the course of the next 5 years, of 2.6 million new jobs in the economic areas linked to those fields most affected by social shortages such as: food, health, education, housing, sanitation, garbage collection, and transport.

The COPAG believes that the new jobs must be created precisely in those needy sectors so that there may be an effective response to the need for essential goods and services. The COPAG employment program also provides for a basic supply program and is not restricted to the objective of an economic recovery.

The COPAG does not believe that an economic recovery, in itself, will solve the unemployment problem Furthermore, the creation of jobs does not guarantee an adequate supply of basic goods and services for the great majority. Therefore, the program proposes to directly link the creation of jobs to the production of these basic goods and services.

The "employment and supply" program stems from the fact that, in Brazil, economic growth has not been sufficient to allow social progress, quite the contrary, many times it has only worsened social problems.

The COPAG employment program is not an emergency program not does it seek the proliferation of "poorly paid work brigades" [disseminacao das "frentes de trabalho"].

Quite the contrary, it seeks to rectify the distortions of the economy by developing the sectors of the domestic market and of the high social demands, seeking to build a new society free of absolute misery.

The purpose is to encourage productive work rather than nonproductive work. The idea is to create the largest possible number of direct jobs, making idle labor (unemployed or underemployed) produce in order to meet social needs.

The proposal is flexible and suggests several alternatives of government actions to be followed. As a consequence, there are several program cost estimates. The highest estimate is 10 trillion cruzeiros (at today's prices) to be disbursed during the next 5 years.

Jose Serra noted that the COPAG's main concern was "to produce a down-to-earth program," in keeping with an austerity policy which will provide for an economic growth but that will also do away with squandering. Serra believes that the austerity policy to be implemented in Brazil by the future president is in keeping with the COPAG's proposal, because he believes that it will create the necessary credit conditions to curb inflation.

Serra did not give any further details regarding the proposal submitted to the president-elect on the foreign and domestic debts, the social security system, and housing policy, but he expanded on proposals made regarding the agricultural and industrial sectors, as well as on the measures to be taken to cushion the problems of hunger and unemployment.

Serra said that only the president will be able to make comments on the suggestions made to solve the domestic and foreign debt problem. However, he admitted that a proposal to capitalize interest rates in the negotiation of the foreign debt was made, as well a proposal for a new formula to finance the public debt seeking to solve the domestic debt problem, which provides for the merger of the various public budgets. Serra said that the proposal to straighten out the problems of the Social Security system and the National Housing Bank are of a temporary nature and they entail change in the entire system seeking to balance their budgets with their expenditures, which have increased, as well as to lower the operational deficit which the two instituations are facing.

IMF ENCOURAGES BANKS TO SUPPORT GOVERNMENT

PY161930 Sao Paulo FOLHA DE SAO PAULO in Portuguese 15 Feb 85 p 1

[Text] In a 100-line telex addressed to international banks, IMF Managing Director Jacques de Larosiere has denied that the negotiations with the Brazilian Government have been suspended, and has asked the bankers to continue disbursing all the loans granted to Brazil as long as the talks continue. The IMF request and explanations have been made because of rumors which first appeared in the U.S. press that the bankers had decided to "freeze" the credits to Brazil, a decision which, in turn, was based on the groundless information that the IMF would not resume the talks until the new Brazilian Government takes over on 15 March. In its message to the bankers, the IMF stresses that Brazil has succeeded in surpassing several of the goals established in the agreements with the creditors and, therefore, deserves to be trusted. The only pending problem, the telex says, is to contain the monetary basis (money issuance) in order to control inflation, a field in which there was a violent "flood" and surpassing of the goal toward the end of 1984.

At this point, the IMF hardens: De Larosiere says that the goals are being renegotiated with the Brazilian Government, but he makes it clear that the IMF will demand stricter controls of the credit policy and official expenditures and that only so a new agreement with Brazil will be approved. The IMF managing director promises the bankers to conclude the negotiations "as soon as possible" before Tancredo Neves' inauguration.

DEMOCRATIC WORKERS' PARTY EMERGING AS POWER

PY182015 Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Feb 85 p 6

[Text] The rose, which is the symbol of all the Socialist parties, is blooming throughout the state of Sao Paulo. This is not due to the efforts of Leonel Brizola, but to the continuous efforts of the members, led by Adhemar de Barros Filho, who have been joining the Democratic Worker's Party [PDT] since October 1983 when the heir to the old Popular Socialist Party [PSP], Adhemar de Barros Filho, sealed an accord with Governor of Rio de Janeiro Leonel Brizola.

The numbers recorded at the Regional Electoral Court are clear: The PDT grew over the January-September 1984 period more than all the other parties together. PDT leaders believe that by March 1985 the PDT will become the third political force in the state of Sao Paulo, with a membership larger than the workers Party [PT] of Luis Ignacio Da Silva (Lula). Moreover, the traditional leaders of the PDT do not hesitate to consider the adhesion of the labor leaders of the Sao Paulo metalworkers as a political phenomenom as significant as the emergence of the PT. In fact, in just 2 weeks of recruiting efforts those leaders, who are associated with Joaquin dos Santos Andrade, but are today united in opposition to the metalworkers directorate, have signed up 2,500 workers for the PDT.

The PDT is thus preparing to take a jump capable of positioning Adhemar de Barros Filho as a competive candidate for the Sao Paulo governorship in the 1986 elections, in confrontation with Orestes Quercia and the machinery of the Brazilian Democratic Mobilization Party [PMDB]. The least optimistic predictions say that the PDT can come up with 13-15 percent of the vote which, although it will not guarantee the Bandeirantes Palace for the heir of the old PSP, it could guarantee the Planalto Palace for Brizola, in case all the elective posts are put up for vote at that time.

The next step depends on the political action of President-elect Tancredo Neves: A large number of deputies, mayors, and municipal councilmen are ready to join the PDT as soon as the Party Loyalty Law is revoked. For the time being, the PDT is gathering assemblymen, alternates and former mayors. For instance, physician David Lerer, who came up with more than 50,000 votes in the last elections, was to join the PDT, along with the labor leaders, in a rained out ceremony that was to take place on 8 February. Nevertheless, the diverse currents within the PDT consider that date as the beginning of a new phase.

"Adhemarzinho," as Adhemar de Barros Filho is called by his comrades, believes that the time has come to put together a real political front; a steamroller that could move on the center-left side against the PMDB, taking advantage of the fact that the up-to-now opposition party will become the progovernment party at the municipal, state, and federal levels after 15 March.

Adhemar de Barros Filho, 56, reveals: "We are talking with political leaders throughout the state of Sao Paulo, but it is early to announce the agreement of congressmen and mayors.

We would like to see the PDT as a party capable of representing the State of Sao Paulo in its entirety. And a rallying point must be represented by principles, not by personalities."

Such understandings can bring into the same party such politicians as Wadih Helou and Roge Ferreira, both former Social Democratic Party [PDS] members and dissidents of the Brazilian Communist Party [PCB]. Party machinery is now set up in almost all the state capitals, and the old files of Adhemar de Barros, Senior, with more than 850,000 names registered by sophisticated computer methods, are being used. The old mansion on Barao de Limeira Avenue, which was the headquarters of the old PSP, is being used by Adhemar de Barros Filho on weekdays to hold audiences in the same style as his father, who was state comptroller, mayor, and twice elected governor, before he was stripped of his political rights in 1985. But in one of the rooms of the mansion, a computer shows that "Adhemarism" no longer depends on populist methods alone to gain power, as it used to in the past.

It is impossible to identify disaffected people within the Sao Paulo PDT. The adhesion of the "Adhemarists" to the PDT has already been assimilated by the historical socialists who commanded the party from its inception, when Leonel Brizola was still in exile. For the state convention where the command of the PDT will be transferred to Adhemar de Barros Filho, an agreement has already been struck by registering on a single ticket the socialists of Roge Ferreira, the group representing the labor sector, and the "Adhemarists." This is a pragmatic agreement: the group that comes out on top in the city will reserve a third of the posts for the other group.

Roge Ferreira, 60, who was candidate for the government of Sao Paulo in the last elections, when he gathered 94,395 votes, points out that the PDT political platform is responsible for the party's accelerated growth in Sao Paulo: "From the start, in the Charles Muller Plaza, in Pacaembu, the PDT assumed the struggle for direct presidential elections. It has a good program. It elected a governor who is a national leader [Governor Leonel Brizola of Rio de Janeiro]. It has to grow, but I must admit that the adhesion of Adhemar de Barros Filho brought added strength. He has a good image in Sao Paulo and has decent political principles. He did not join the Liberal Front Party [PFL] where he would have been more comfortable. All of us together managed to popularize the word socialism, which in the past was thought to refer to a regime under which little children were eaten."

Roge Ferriera admits that he will run for the Sao Paulo Prefecture for the PDT in 1985. He recalls that in the latest poll in which his name was mentioned, with that of Adhemar de Barros, he earned 18-percent of the votes. Ferreira is not out of the process for the organization of the PDT in the interior of the state; he took advantage of a period of rest in Itanhaem, the southern coast, to visit the neighboring municipalities and to organize boards. He has no doubts that the party could reach third place in strength by March.

According to data gathered by the regional electroal court, the PDT grew notably during the first 9 months of 1984: 17,075 registrations, totaling 67,543 members throughout the state. The PMDB, however, decreased during the same period (with 872 fewer members) and the PDS decreased even more (5,317 fewer members). The two other parties increased very little: the PTB increased by 1,566 members, and the PT registered 1,848 new members.

Here is another curious statistic: The PDT has the largest percentage of female members: 43.4 percent against 20.3 percent of the PT. The PMDB has only 38.5 percent.

But regardless of the women, the figure that PDT followers like to present most of all refers to the party's organization throughout the state. Starting with 148 boards in 1983, of which only 50 are really active, the supporters of Adhemar de Barros, the socialists, and labor sector representatives managed to organize 436 boards throughout the interior of the state. Another 103 boards are in a process of regularization, thus totaling 549 [figures as published] boards out of the 572 municipalities. In the state capital, of the 56 electoral districts, 44 already have boards and 12 others are in a process of registration.

Marcio Almeida, current secretary general and one of the historical figures that has participated in the party's heroic stage in Sao Paulo, stated that the PDT has already increased by what it was allowed by the central right. Now we are going to grow through the central left. The adherence of the unionists is, therefore, really important.

These unionists are six directors of the union headed by Joaquim dos Santos Andrade. But they are no longer automatically aligned to the everlasting president of the metalworkers of Sao Paulo: linked to the newspaper A ESQUERDA, founded by dissidents of the Brazilian Communist Party [PCB]. The unionists seek their own level of action from the strike held in July 1983 which they helped to declare.

Geraldo Magela, 39, Welter Schiavon, 35, Manoel Jorge Santos, 41, Paulo Pereira da Silva, 27, Geraldino dos Santos Silva, 32, and Nelson Aparecido Cardim, 25, have been PMDB and PT members. And they offer an articulate political reasoning to justify their adherence to the PDT. All are linked to the Committee for Metallurgic Action, a sort of trade union branch of the newspaper A ESQUERDA. Magela, who often speaks on behalf of the group, describes the option of the party of Adhemar de Barros Filho as a conscious gesture: "We are aiming at a channel for political action. The PMDB does not make room. It has power and has never been labor-oriented. The PT has the attitude of a fearful baby and even in the case of the congressmen that participated in the electoral board it failed to adopt a firm stand. The PTB does not exist. Only the PDT remains, where anything may be built up."

The unionists complain about the attitude of the Montoro administration toward the workers, advocate the legalization of the communist parties, criticize the Sole Central Organization of Workers [CUT] and the National Confederation of the Working Class Conclat, rule out the possibility of a social accord, and guarantee that they do not seek a seat at the congress but seek to carry out a task along with the workers.

"The rank and file has been asking for a party option. And now we can provide one. We are easily enrolling many people as members," Paulo Pereira notes.

The new PDT members are not concerned over the presence of Brizola and Adhemar de Barros Filho in the PDT leadership: "Anything may be achieved. This is an open field. Every party in Brazil has a leader, and the country still needs populism. There is no reason to wait for a new party with true leaders to crop up. What is important is that the people get organized and exert pressure, from the bottom to the top," Magela reasons.

ZALDIVAR, AD ASSESS MEETINGS WITH MOTLEY

PY201315 Madrid EFE in Spanish 0036 GMT 20 Feb 85

[Text] Santiago, 19 Feb (EFE) -- Andres Zaldivar, chairman of the World Union of Christian Democrats, and the Democratic Alliance [AD] Executive Board today made brief assessments of their respective meetings with Langhorne Motley, President Ronald Reagan's special envoy who is visiting Chile.

Zaldivar, who attended the meeting with Gabriel Valdes, chairman of the Chilean Christian Democratic Party and former foreign minister during Eduardo Frei's government, termed the meeting very positive and cordial. He added that they discussed the real situation in Latin America and agreed on the need to support the process of democratization on the continent, especially in those countries that recently have achieved full freedom.

Referring to Chile, Zaldivar stated that he told Motley that it should be recognized that it will be Chileans who will achieve full democracy in the country. Zaldivar added that the Christian Democrats should recognize that the solidarity expressed by many countries throughout the world has been valuable for the Chilean people in their tenacious struggle to recover freedom and democracy peacefully. Finally, Zaldivar thanked Mr Motley for his invitation to discuss these important political issues.

After the meeting with Motley, the AD Executive Board released a communique stating that the meeting gave the AD leaders an opportunity to explain their position on the political, social, and economic situation in Chile, reiterating the conditions they believe should be found for a quick solution to the Chilean crisis. The AD finally expressed its satisfaction with the U.S. Administration's attitude, expressed in previous declarations and confirmed with the visit made by Motley, of concern over the return to democracy throughout Latin America, especially in Chile.

The AD is comprised of the Christian Democratic Party, the Social Democratic Party, the Republican Right, the Liberal and Radical Parties, and the socialist bloc.

WOMEN ARRESTED ATTEMPTING TO MEET WITH MOTLEY

PY210145 Madrid EFE in Spanish 2300 GMT 20 Feb 85

[Excerpt] Santiago, 20 Feb (EFE) -- A group of 30 women were arrested today in front of the U.S. Embassy as they were trying to reach President Reagan's envoy, Langhorne Motley, to ask him to intervene in favor of the persons banished to Pisagua.

The women, some of them accompanied by very young children, are relatives of persons banished to Pisagua, a town located 1,900 km north of Santiago. They had previously been to the Interior Ministry to deliver a letter to new Interior Minister Ricardo Garcia.

In the letter, the women requested information on how long their relatives will remain in Pisagua, since they have already been there more than 90 days.

A committee formed by three women was allowed into the ministry where they left their letter at the document registration desk.

The women then went to the U.S. Embassy and when they were at the entrance asking to be received by Langhorne Motley, they were intercepted by members of the Carabineros force that arrested 30 of them and transported them in a bus to police precinct No 1.

DISMISSED WORKERS DISQUALIFIED AS UNION LEADERS

PY161912 Santiago LA TERCERA DE LA HORA in Spanish 8 Feb 85 p 14 A

[Excerpt] The General Labor Directorate has disqualified the labor union leaders who were dismissed by El Teniente Division and who were reelected by the Sewell and Minas Enterprises Professional Workers Labor Union No 3 and the Sewell and Minas Enterprises Industrial Sector Labor Union No 8.

The leaders affected by this measure are Eneas Cepeda Vicencio, Victor Herrera Acevedo, and Arturo Vera Mauro of the Sewell and Minas Professional Workers Union; and Eugenio Lopez Lopez, Juan Meneses Campos, and Manuel Ahumada Medina of the Sewell and Minas Industrial Sector Union.

On 17 June 1983 the Sewell and Minas enterprises terminated the work contracts of the aforementioned union leaders in compliance with Decree Law No 2200, Article 15, Clauses No 1, 4, and 6.

In order to justify the fact that they lack the necessary prerequisites, the General Labor Direcorate has disqualified them as presidents of the mentioned labor unions, alleging that in order to be a labor union leader it is necessary to be a member of the respective labor union and for this a current labor contract is necessary.

In this case and in compliance with El Teniente Division's decision to dismiss them under the terms of the aforementioned decree law, the work contract expires immediately because in the Labor Directorate's opinion if the contract had been terminated before the election they lacked the necessary prerequisites established by Decree Law No 2756, Article No 21, Clauses No 6 and 7 regarding Article No 5, Clause A of the same decree. Therefore, it is appropriate to disqualify them as leaders of the aforementioned labor unions.

BRIEFS

NEW CHIEF OF STAFF -- Major General Alejandro Medina Lois has been appointed as chief of staff of the National Defense Ministry replacing General Pablo Saldias Maripangue. [Summary] [Santiago LA TERCERA DE LA HORA in Spanish 2 Feb 85 p 15 PY]

THIRD REGION INTENDANT -- Atacama -- Army Lieutenant Colonel Gabriel Alliende Figueroa took over as 3d Region intendant on 6 February. Lt Col Alliende Figueroa replaces Colonel Alejandro Gonzalez Samohod. [Summary] [Santiago EL MERCURIO in Spanish 9 Feb 85 p C 4 PY]

NEW RECTOR, DIVISION COMMANDER -- The appointment of Brigadier General Patricio Gualda Tiffaine as rector of the University of Santiago was made official on 13 February. Brig Gen Gualda Tiffaine replaces Brigadier General Sergio O'Ryan. The decree published in the OFFICIAL GAZETTE states that Gualda's appointment became effective 3 January 1985. Brig Gen O'Ryan has been appointed as commander in chief of the V Army division, which is headquartered in Punta Arenas. [Text] [Santiago LA TERCERA DE LA HORA in Spanish 13 Feb 85 p 11 PY]

CABINET MINISTERS RESIGN TO RETURN TO POLITICS

PA201901 Bogota Emisoras CARACOL Network in Spanish 1817 GMT 20 Feb 85

[By Carlos Ruiz]

[Text] Bogota -- All 12 civilian ministers in President Betancur's cabinet resigned today. The president will reply today to the collective resignation letter, Government Minister Jaime Castro has announced.

The crisis was precipitated to leave the president free to reorganize the cabinet, while at the same time enabling the Liberal and Conservative ministers to meet the requirements for returning to political life.

Electoral law prohibits them from participating as candidates in the March 1986 elections if they have held public office at any time during the previous 12 months.

The collective resignation was drafted by Government Minister Jaime Castro, a Liberal, and Foreign Minister Augusto Ramirez Ocampo, a Conservative. The letter was delivered to President Betancur today. CARACOL was informed that all the ministers expressed solidarity with the administration's accomplishments and agreed to support the president from any position they may occupy in the future.

Very few cabinet ministers will actually be replaced and most of those who do leave will be Conservatives, who will be returning to active politics.

Betancur Reshuffles Cabinet

PA202245 Bogota Emisoras CARACOL Network in Spanish 2201 GMT 20 Feb 85

[Text] By means of Decree No 490, President Belisario Betancur has just reshuffled his cabinet. The incoming ministers will hold their posts until the end of his term.

Three new ministers have been named. Rodolfo Segovia Salas, current president of the Colombian Petroleum Enterprise [Ecopetrol] and a Conservative of the Alvarista faction, will replace Hernan Beltz Peralta as public works and transportation minister. Betlz is resigning to engage in politics.

Rafael de Zubiria, Conservative of the Pastrana faction, will replace Health Minister Amaury Garcia Burgos, who is also resigning to engage in political activities.

Hernan Vallejo Mejia will become agriculture and livestock minister in place of Gustavo Castro Guerrero. Castro Guerrero, a Lopista Liberal, will move to the Economic Development Ministry, replacing Ivan Duque Escobar. Duque Escobar, who is the current development minister, will move on to mines and energy. He will replace Alvaro Leyva Duran, a Conservative, who is resigning to engage in political activities.

President Betancur's new cabinet, which will accompany him starting tomorrow, has been officially confirmed by CARACOL. It is as follows:

Government	Jaime Castro (confirmed)
Foreign Affairs	Augusto Ramirez Ocampo (confirmed)
Defense	Miguel Vega Urige (confirmed)
Finance and Public Credit	Roberto Junguito Bonnet (confirmed)
Justice	Enrique Parejo Gonzalez (confirmed)
Economic Development	Gustavo Castro Guerrero (new)
Mines and Energy	Ivan Duque Escobar
Public Works	Rodolfo Segovia Salas
Agriculture and Livestock	Hernan Vallejo Mejia
Education	Doris Eder de Zambrano (confirmed)
Communications	Nohemi Sanin Posada (confirmed)
Public Health	Rafael de Zubiria (new)
Labor	Oscar Salazar Chavez (confirmed)

Hernan Vallejo Mejia, the new agriculture minister, was president of the Antioquia Cattlemen's Federation. Rafael de Zubiria, the new health minister, is currently director of the Colombian Institute of Educational Credit for Technical Studies Abroad. Rodolfo Segovia Salas, the public works minister, is currently president of the state-run Ecopetrol.

ARMY DISCOVERS 40 COCAINE LABORATORIES IN EAST

PA191621 Madrid EFE in Spanish 1725 GMT 18 Feb 85

[Excerpt] Bogota, 18 Feb (EFE) -- A total of 40 cocaine-processing laboratories were discovered by the Army over the weekend in Colombia's eastern plains region. According to a military spokesman, Serviez Battalion troops, which are specially trained to combat drug trafficking and which are headquartered in Villavicencio in central Colombia, carried out the operation and seized the laboratories without making any arrests. The 40 laboratories were found in a jungle region, camouflaged by the dense vegetation. They contained material and equipment used to process and refine cocaine. The same source said that no one was arrested in these actions because apparently everyone had fled as the troops approached.

MAS ANNOUNCES PLANS TO EXECUTE KIDNAPPERS

PA160353 Madrid EFE in Spanish 2157 GMT 15 Feb 85

[Text] Bogota, 15 Feb (EFE) -- The Colombian paramilitary organization Death to Kidnappers, MAS, today announced in Bogota that it will execute those who are considered guilty of kidnapping. A joint communique was delivered to the news media by the MAS, stating that "given the government's weakness, which only tries to cover up kidnappings, blackmail, and extortion," there is no other alternative but "to pick up our weapons and defend our lives and interests." The MAS revealed the names of persons the group has "condemned to death" and why they are considered the "traitors to the homeland." The list starts with Victor Sasons, who was a negotiator in the takeover of the Dominican Republic Embassy by the 19 April Movement, M-19, in 1980; he was accused by the paramilitary group of being an intermediary for other kidnappings carried out in Colombia. Sasons, a Colombian industrialist of Jewish origin, collaborated with the authorities as an intermediary to secure the freedom of the 16 ambassadors held hostage by the M-19 on the occasion. The Colombian industrialist is protected by state security forces, but the MAS suggests that "these forces be withdrawn, or else they will suffer the same fate." The MAS was created as a consequence of the kidnapping of Blanca Nieves Ochoa, daughter of Fabio Ochoa, who is linked with drug trafficking organizations. The communique states that the execution announcements will be delivered to all news media except television because "Manuel Marulanda Perez, alias Tirofijo, was extolled as a hero in that medium." Manuel Marulanda is leader of the Revolutionary Armed Forces of Colombia, FAR, the main guerrilla group in Colombia, and signed a ceasefire on 28 March 1984 with President Belisario Betancur's government.

PLR COMMUNIQUE CONDEMNS 'GOVERNMENT OUTRAGES'

PY202345 Asuncion ULTIMA HORA in Spanish 20 Feb 85 p 12

[Excerpt] The Radical Liberal Party [PLR] has issued a communique decrying "recent and terrible outrages by Paraguayan government authorities, including death by torture of a Liberal Party member at a rural police precinct station, the recent arbitrary arrest of journalist Nestor Romero Valdovinos, and the banishment of Catholic priest Jose Antonio Lucas, a banishment which epitomizes the harassment to which the government subjects the Paraguayan church which is openly participating in our people's struggle to recover freedom." The PLR "strongly repudiates these incidents and reaffirms its conviction that rights and constitutional guarantees are being violated unscrupulously and systematically in our country." The executive board of the PLR also stated "its solidarity with journalist Nestor Romero Valdovinos and Father Lucas, and called for the immediate end to the offenses directed at them." The communique concluded by "denouncing the incidents to national and international public opinion as more evidence showing how the ruling despotic regime uses the power of police brutality, its favorite tool, to repress the opposition."

PRF HOLDS MEETING, DEMANDS DEMOCRACY

PY181436 Madrid EFE in Spanish 1430 GMT 17 Feb 85

[Text] Asuncion, 17 Feb (EFE) -- Approximately 2,000 people gathered today at Plaza Italia in Asuncion in response to the call made by the Febrerista Revolutionary Party (the PRF, Social Democratic) to demand the return of democracy in Paraguay. The meeting, which was allowed by the government and took place under police control without incident, was organized to celebrate the anniversary of the 1936 revolution which brought the PRF to power. In the midst of shouts that the military dictatorship will end and that the tyrant must resign, PRF President Euclides Acevedo demanded the release of political prisoners and the return of all exiles, including writer Augusto Roa Bastos. Acevedo demanded democracy for all Latin America, from the Rio Grande to the Malvinas Islands, and expressed his solidarity with Nicaragua, which is being attacked by imperialism.

Representatives of the other parties grouped within the National Accord (Colorado Popular Movement, Christian Democratic Party, and Authentic Radical Liberal Party) were also present at the PRF meeting. Speaking on behalf of the Colorado Popular Movement (Mopoco) a faction of the official Colorado Party, its president, Miguel Angel Gonzalez Casabianca, denounced the corruption that sustains the system established by General Stroessner. Speaking on behalf of the Authentic Radical Liberal Party (PLRZ), its president, Miguel Angel Martinez Yaryes, stated that human rights are systematically violated in Paraguay, that people are tortured and killed in police stations. He also announced a program of democratic transition based on the establishment of a provisional civilian government that will allow free elections. Shady deals, corruption, and bribery are a disgrace to Paraguayan society, Martinez Yaryes stated. He also called for the military to abandon the Colorado Party, to which they are forced to adhere, because they support a party comparable to Somoza's National Guard. Speaking on behalf of the Argentine Radical Civic Union [UCR], UCR Deputy Horacio Huarte, who was welcomed by the people with shouts of "Alfonsin, Alfonsin," stated that dictatorships are ending in Latin America and that we should advance toward integration of the people into democracy. Several telegrams of solidarity were read during the meeting, including one by the Spanish Workers Socialist Party (PSOE) signed by Alfonso Guerra and Elena Flores, and another by the Socialist International, signed by its president Willy Brandt. The PRF is a member of the Socialist International which supports this encounter on the path toward democracy and wishes a peaceful transition toward a pluralistic democracy to Paraguay, Willy Brandt stated in his message.

BELIZEAN PRIME MINISTER ARRIVES ON VISIT

FL210224 Mexico City NOTIMEX in Spanish 0050 GMT 21 Feb 85

[Text] Chetumal, 20 Feb (NOTIMEX) -- The prime minister of Belize, Manuel Esquivel, arrived here today en route to Mexico City, where he will meet with President Miguel de la Madrid and other top officials of the Mexican Government. The Belizean prime minister was received at the airport of the city of Chetumal by the governor of the State of Quintana Roo, Pedro Joaquin Codwell, who gave a private dinner for the distinguished visitor. The Belizean head of state is accompanied by Minister of Foreign Affairs Dean Barrow, Minister of Energy and Communications Israel Alpuche, and officials from the Ministries of Health, Labor, and Sports, and Energy and Communications. The governor of the State of Quintana Roo was accompanied by the president of the state congress, Rodolfo Romero Evan, the president of the court of justice, Miguel Peirefitte, and the mayor of Othon P. Blanco [as received] Alfredo Diaz Jimenez. The Belizean prime minister will depart for Mexico City this afternoon.

Discusses Guatemala, Economy

FL160330 Mexico City NOTIMEX in Spanish 2200 GMT 15 Feb 85

[Text] Mexico City, 15 Feb (NOTIMEX) -- In the event of an attack from Guatemala, Belize will not think twice about asking a country as powerful as the United States for help, Belize's Prime Minister Manuel Edquivel has said. After rejecting the possibility of establishing a U.S. military base in his country, Esquivel reiterated that Belize is a small, weak nation and will seek U.S. Government protection and help if necessary.

Esquivel, who will meet here with President Miguel de la Madrid on 21 February, said that at these talks he will seek to improve economic relations between Mexico and Belize.

The Belizean prime minister said there were many areas of agreement between the two countries' foreign policy. However the very serious matter of Mexico's relations with communist countries was one of the differences. Esquivel, who is also the leader of the United Democratic Party [UDP], said it was much easier for Mexico to have relations with the communists than it is for Belize because this is a small and new country on the international scene.

Esquivel was not in favor of a revolutionary type of government in Guatemala, because even if Guatemala recognized Belize as a sovereign nation, at the same time it would be a threat to have a communist government as a neighbor.

Belize, he said, is in favor of free and democratic governments where the people vote and freely select their leaders from any party.

On the difficult problems in Central America, Esquivel said that although the problem has become an East-West question, they were caused by the prevailing social injustices.

He acknowledged that Belize has a great unemployment problem and said that to resolve this his administration would try to bring foreign capital into the country mainly through agriculture and tourism.

Lastly, Esquivel said that the international economic situation and the devaluation of the peso had seriously affected the trade relations with Mexico, and that he would seek to improve relations in this area in his meeting with President Miguel de la Madrid.

FOREIGN SECRETARY TO VISIT CUBA NEXT WEEK

FL202218 Mexico City NOTIMEX in Spanish 2055 GMT 20 Feb 85

[Text] Mexico City, 20 Feb (NOTIMEX) -- Mexican Foreign Secretary Bernardo Sepulveda will travel to Havana next week to meet with Cuban Government officials, it was announced today by the Secretariat of Foreign Relations. The official reason for Sepulveda's trip to Cuba is the meeting of the bilateral joint commission that will be held in Havana starting Wednesday, 27 February. Nevertheless, it is believed that the Central American situation and the Contadora negotiations will undoubtedly be discussed by Sepulveda in his meetings with top leaders of the Cuban Government.

CHAMBER OF DEPUTIES CRITICIZES U.S. BORDER CONTROLS

FL202320 Mexico City NOTIMEX in Spanish 2205 GMT 20 Feb 85

[Text] Mexico City, 20 Feb (NOTIMEX) -- The Foreign Relations Committee of the Mexican Chamber of Deputies has described as inadequate, unjustified, and inopportune the measure taken by the U.S. Government consisting of lengthy checks of the vehicles entering the United States from Mexico.

Deputy Luis Danton Rodriguez, chairman of the Foreign Relations Committee, said the U.S. Government had unilaterally taken a measure that should have been decided bilaterally and has made trade, tourism, and the normal life of the inhabitants of the area much more difficult. Danton Rodriguez said drug trafficking is not going to be stopped that way because most drugs are transported via other routes. He rejected the idea that the U.S. measure presupposed an intention to harm the Mexican economy, saying the measure adopted by the U.S. Government was affecting the economy but not significantly. He said the Mexican Secretariat of Foreign Relations had expressed concern over the attitude of U.S. authorities and had taken steps to find a solution to the problem.

DECREASE IN 1984 TRADE BALANCE SURPLUS REPORTED

FL192358 Mexico City NOTIMEX in Spanish 2029 GMT 19 Feb 85

[Text] Mexico City, 19 Feb (NOTIMEX) -- The Secretariat of Programming and Budget has reported that the Mexican balance of trade for the period January-December 1984 showed a surplus of $12,265,440,000, which was 7.8 percent less than during the same period of the preceding year. The secretariat added that the decrease in the trade balance surplus was the result of $24,053,600,000 dollars worth of imports. The decrease in the trade balance surplus in 1984 in comparison with 1983 was due to a 30.9-percent increase in imports while exports increased by only 7.8 percent. The secretariat reported that goods purchased abroad, including shipping costs and insurance, totaled $11,788,200,000, which is 30.9 percent more than the value of goods imported during the same period of 1983.

The secretariat added that the greatest increase occurred in the imports of consumer goods, which increased by 38.2 percent. Imports of intermediate use and capital goods increased 36.5 percent and 17.1 percent, respectively. Imports of capital goods and private sector capital goods increased 42.3 and 47.2 percent, respectively, while imports of intermediate use goods increased by 56.8 percent. Public sector imports totaled $4,789,700,000. Private sector imports totaled $6,464,600,000.

The Secretariat of Programming and Budget also announced that export growth was primarily in nonpetroleum-related products, where exports grew 18.4 percent. These included cotton, tomatoes, legumes, vegetables, melons, watermelons, raw coffee beans, beans, zinc in mineral concentrates, and table salt. Exports of nonpetroleum-related manufactured products increased by 19 percent, including notable increases in frozen shrimp, orange juice, artificial fibers, chemical products, iron and steel products, and automobile engines and spare parts.

Petroleum exports increased by 3.6 percent because of a 68.3-percent increase in the sale of petroleum derivatives and an 18.1-percent increase in the sales of petrochemical products, which together totaled $1,404,900,000. Sales of crude oil increased 1.2 percent and totaled $14,967,500.

FOREIGN INVESTORS ALLOWED TO BUY COMPANIES

FL191748 Mexico City NOTIMEX in Spanish 1624 GMT 19 Feb 85

[Excerpt] Mexico City, 19 Feb (NOTIMEX) -- Secretary of Programing and Budget Carlos Salinas de Gortari has announced that foreign investors can now buy some of the state-owned companies that the government has decided to sell, but that they must abide by Mexico's foreign investment laws. At a press conference held on the 18th, he said that the Mexican Government decided to sell the companies because it is faced with the necessity of unburdening itself and directing resources to priority sectors, such as the construction of schools, hospitals, and highways. Salinas de Gortari said that anyone interested in buying these companies should make inquiries at the nation's credit institutions and added that Mexico's Secretariat of Finance would soon issue the purchasing guidelines.

LEFTIST PARTIES, ORGANIZATIONS UNITE FOR ELECTIONS

FL152214 Mexico City NOTIMEX in Spanish 1919 GMT 15 Feb 85

[Excerpt] Mexico City, 15 Feb (NOTIMEX) -- Three leftist parties and two organizations have agreed to unite to present a common front in the forthcoming July elections in an effort to obtain greater representation in the Chamber of Deputies. The agreement was signed by Herberto Castillo, from the Mexican Workers' Party; Pablo Gomez, from the United Socialist Party of Mexico; Jorge Cruickshank, from the Popular Socialist Party; Manuel Terrazas, from the Communist Leftist Union; and Cambilo Valenzuela, from a socialist organization.

CONSERVATIVE COLUMNIST WOUNDED IN ATTACK

FL191926 Mexico City NOTIMEX in Spanish 1830 GMT 19 Feb 85

[Text] Mexico City, 19 Feb (NOTIMEX) -- Guillero Canton Zetina, a political columnist for EXCELSIOR, was shot and wounded in front of his home after being attacked by six individuals. The Mexico City police report stated that Canton Zetina was shot twice in the abdomen and is currently being treated at Humana Hospital, one of the most luxurious in the city.

Canton Zetina, who writes the controversial daily column, "Political Fronts," was attacked early this morning in front of his home at Canada 125 in El Pedregal de San Angel, south of Mexico City. The columnist's condition is unknown because doctors attending him are keeping it secret.

ANTI-IMPERIALIST CONGRESS OPENS IN MANAGUA

PA190218 Managua Radio Sandino Network in Spanish 0000 GMT 19 Feb 85

[Text] More than 60 intellectuals from Latin America, Europe, and the United States are participating in the First Latin American Congress on Anti-Imperialist Thought, which opened today in this capital to commemorate the 50th anniversary of the assassination of the general of free men, Augusto Cesar Sandino.

More than 60 intellectuals from various parts of the world are analyzing and discussing historic passages of imperialism and the anti-imperialist struggle waged by oppressed peoples.

This important event is taking place at the Cesar Augusto Silva Convention Center. Author Edelberto Torres, who has been decorated with the Carlos Fonseca Order and the Ruben Dario Order, is the honorary chairman of the congress. The actual chairman of the event is Vice President Sergio Ramirez Mercado. Argentine author Gregorio Selser is cochairman, and Javier Goroztiaga is the secretary.

Three commissions have been appointed to analyze 50 issues submitted by the participants at the congress. The issues have been divided into three parts: history of imperialism and anti-imperialist struggle, theories and outlook of anti-imperialist thought in Latin America, and problems of and outlook for the current anti-imperialist struggle in Latin and Central America.

The congress will be held 18, 19, and 20 February. A final declaration will be issued on imperialist intervention in Latin American and Third World countries.

El Salvador's Ungo on Contadora

PA191836 Managua Radio Sandino Network in Spanish 1200 GMT 19 Feb 85

[Text] The United States' strategy in Central America is failing and will have to be changed shortly, be it through intervention or by accepting a negotiated policy in the region. The statement was made by FDR President Guillermo Ungo, who is participating in the First Latin American Congress on Anti-Imperialist Thought in Managua. Ungo spoke of the political and military situation in El Salvador and of the situation with regard to the dialogue between the Salvadoran guerrillas and Jose Napoleon Duarte's government.

[Begin recording] [Ungo] In the current circumstances I do not think that it would be good to think in maximalist terms. Everything cannot be achieved at one time. However, I do believe that the outlook continues to be good within the difficult situation. The revolutionary democratic movement continue to advance; these advances are still insufficient, but they are clear. There have been advances not only in the military area, but also in the political and international areas.

The imperialists continue to uphold a political and military strategy in which the military predominates. This forces them to react to our advances with ever growing participation and military, political, and economic intervention to the extent that the Salvadoran regime, to a great measure and in an artifical manner, only exists because of this foreign support.

[Question] Is there a possibility of renewing the dialogue between the Salvadoran guerrillas and Jose Napoleon Duarte's government?

[Ungo] I believe the dialogue has begun. It is not dead; it is at a standstill, in accordance with the interests of the Reagan administration. I see no interest or determination to renew this dialogue. However, aside from the Reagan administration's reality, there are other realities, domestic as well as international, that make us forsee that the dialogue might continue in the future. Duarte himself has not dared to cancel the dialogue definitely and has suggested that it will continue after the elections. I do not believe that the results of the election will decide the future of the dialogue, but will rather show a correlation of forces and the interests and needs of the two parties. In this sense I believe that the possibility exists. [end recording]

The Salvadoran revolutionary leaders said the Contadora Group is an important collaborator in the quest for a negotiated political solution in Central America, but is not the magic potion that will resolve all problems affecting the region.

[Begin recording] [Ungo] A mystification of Contadora has occurred. Some people feel that Contadora is the magic potion that will resolve the problems of the region. However, the situation has several causes: regional and geopolitical causes on the part of the United States and national and domestic causes. Contadora cannot handle all these. It cannot be the only solution, but rather must play the role of an important collaborator in certain areas. This creates problems for Contadora because there is an inconsistency. It attempts to be a Latin American organization, one in which the United States cannot meddle, but the great absentee is very present within Contadora through governments that are subject and subordinated to the Reagan administration's policy.

Contadora has other limitations because it is more of a diplomatic instrument which is in the hands of foreign ministers and foreign ministries and not other important power sectors, as is the case with Honduras, El Salvador, and even Costa Rica.

[Question] What is the alternative to Contadora? What can it be combined with?

[Ungo] To continue struggling in all areas, in the military, political, and economic areas and in the local and international areas, and to continue to search for other diplomatic and political means of expression other than Contadora in order to confront a policy that is harmful for Latin America. [end recording]

BELIZE

ESQUIVEL ON DEVALUATION, BORDER PATROL PROPOSAL

FL201950 Belize City Domestic Service in English 1830 GMT 20 Feb 85

[Text] Prime Minister Mr Manuel Esquivel, in a press conference held this morning at Radio Belize, has reiterated that there will be no devaluation of our curreny. During hi press conference and in answer to questions posed by the local press, Prime Minister Esquivel said that discussions are presently being held for the reduction in electricity rates as well as (?water). He also spoke of the possibility of a joint Belize-Mexico border patrol that would concentrate mainly with smuggling and drug trafficking.

The minister of foreign affairs and economic development, Mr Dean Barrow, noted that in recent talks held between representatives of Belize and Guatemala, the Guatemalan claim to Belize has become more flexible.

However, he reiterated that the Belizean position remains the same, that is sovereignty and the territorial integrity of our country. We cannot afford to be complaisant, he said, and we will continue to fight for a peaceful solution to Guatemalan claims.

In continuing, the prime minister said that an agreement will soon be signed for 26 million Belize dollars that will be used for technical assistance and projects. It will be signed between USAID, the United States Agency for International Development, and the Belize Government.

The prime minister is heading a Belize delegation that has since left for Mexico; in Mexico, the prime minister will meet with the Mexican President Mr Miguel de la Madrid. Prime Minister Esquivel is accompanied by the minister of foreign affairs, Mr Dean Barrow; the minister of health, labor, and sports, Mr Elodio Aragon; and the minister of energy and communication, Mr Israel Alpuche. These ministers will hold sessions with their Mexican counterparts. From Mexico, the prime minister will travel to Jamaica. In Jamaica he will meet the Jamaican prime minister, Mr Edward Seaga, and will attend the meeting of Caribbean heads of government with the Canadian prime minister, Mr Brian Mulroney. For his part, Mr Barrow will travel to the United States for discussions with the Belize community in Los Angeles.

COSTA RICA

MONGE SUPPORTS MEETING OF CONTADORA PRESIDENTS

PA210314 Hamburg DPA in Spanish 2339 GMT 20 Feb 85

[Text] San Jose, 20 Feb (DPA) -- Costa Rican President Luis Alberto Monge said today he agrees with holding a meeting of the presidents of the Contadora member countries. Monge noted that the Contadora Group's efforts are paralyzed due to the Nicaraguan Government's attitude, which is not helping Contadora.

Monge said that the Contadora Group is currently deadlocked and that it would be advisable to schedule a meeting of the presidents of Mexico, Venezuela, Colombia, and Panama to discuss the matter.

The Costa Rican president said that Costa Rican is willing to cooperate, as it has always done with regard to the pacification of Central America, but cannot agree to having Nicaragua violate the right to asylum in a manner already known by the international community.

The Costa Rican head of state will leave for Montevideo on 26 February to attend the inauguration of President Sanguinetti.

SECURITY MINISTER REJECTS NICARAGUAN CHANGES

PA210356 Hamburg DPA in Spanish 2324 GMT 20 Feb 85

[Text] San Jose, 20 Feb (DPA) -- Costa Rican Public Security Minister Benjamin Piza has rejected Nicaraguan charges that Costa Rica is aiding the counterrevolutionaries who attacked the Penas Blancas border post between Nicaragua and Costa Rica on Monday. Piza stated that the charge is completely false. The skirmish between the Sandinist and the anti-Sandinist groups took place in Nicaragua.

Piza added that he has an extensive report on the events, which will be forwarded to Nicaragua in response to its charges against Costa Rica. The Costa Rican minister stated that his country remains neutral in Nicaragua's internal conflict.

PANAMA'S NORIEGA MEETS MONGE, LAUDS FRIENDSHIP

PA170114 Panama City Circuito RPC Television in Spanish 1700 GMT 16 Feb 85

[Excerpts] General Manuel Antonio Noriega, commander in chief of the National Defense Forces, traveled unexpectedly to Costa Rica yesterday, invited by Costa Rican authorities to participate in the graduation ceremony of 135 Costa Rican policemen who had undergone a 3-month police training course given by 12 military instructors of the Panamanian National Defense Forces, headed by Captain Carlos Saldana. Upon his arrival in Costa Rica, General Noriega held a closed-door meeting with Costa Rican President Luis Alberto Monge. The meeting lasted approximately 30 minutes. It was learned that Noriega and Monge discussed Contadora, relations between Costa Rica and Nicaragua, and Urbina Lara's arrest by the Nicaraguan authorities after his forcible removal from the Costa Rican Embassy in Managua.

During his brief visit to Costa Rica, Noriega was accomplished by a small entourage that included Lieutenant Colonel Alberto Purcell, Lieutenant Colonel Julio Ow-Young, and Lieutenant Colonel Elias Castillo. Majors Quezada and Correa and Government Minister Carlos de Sedas also accompanied him.

Following the meeting Costa Rican President Luis Alberto Monge said:

[Begin recording] I have taken this opportunity to reiterate my thanks for the ample spirit of solidarity that General Noriega, the Panamanian National Defense Forces, the National Guard, and the Panamanian people and government have always shown Costa Rica. [end recording]

During the graduation ceremony Gen Noriega said:

[Begin recording] Traditionally, Panama and Costa Rica have been united. Historically, the two countries have carried out joint actions in the international arena, such as Costa Rica's support for Panama on the Torrijos-Carter treaties, the two countries' similar doctrines within the Contadora Group and during its creation, and the defense and contribution of the Panamanian forces when the Costa Rican border was threatened by the Somozist government. Many other things unite us as brother countries. At the Panamanian-Costa Rican border there are joint work areas such as the area of (Las Mellizas) in Costa Rica, Piedra Candela in Panama, and others along the border.

At the border there are no artillery regiments or tanks to protect one country from the other and there is a joint work plan between Costa Ricans and Panamanians. The border does not need to be defended by sophisticated weapons because it is already being defended by the Christian and human qualities of the men who live there. [end recording]

PLN PRESIDENTIAL CANDIDATE DISCUSSES GOALS

PA190322 San Jose Radio Reloj in Spanish 1200 GMT 18 Feb 85

[Text] In his speech accepting the presidential nomination of the National Liberation Party [PLN], Oscar Arias Sanchez said that humanism and development represent his way of thinking. [Words indistinct] political participation, social openings, cultural development, protection for basic liberties, and economic development.

I believe in development as a means to humanize man and help him express himself, create, coexist, and build his own future. I believe that development emerges from the heart of societies when they sovereignly decide on their future, which is not only material but also social and political.

The candidate said he is making no promises and will not play games with the hopes of the people. He urged those who are young at heart, those who have strong spirits and bright minds to join him in his enterprise, full of political imagination and civic and patriotic courage.

I don't have an answer to all the problems of Costa Rica, but I am offering my energy, will, and courage to organize the best qualified people in a first-class team, he said. Arias Sanchez said that the best people will work to make Costa Rica a better fatherland.

Arias is proposing to make Costa Rica the first developed country of Latin America: I want the spirit of Costa Rica to reach historic heights, to eradicate poverty, and to put an end to privileges forever. He noted that we will never be able to feel proud of our political democracy as long as we condemn thousands of families to live in subhuman conditions.

He said it is urgently necessary to strengthen security and a de jure state. He said that the social changes Costa Rica requires must be carried out legally, since law is the most important tool for change and development.

He also confirmed that peace is a factor of unquestionable importance. We are against war; we practice the principle of peaceful coexistence. International law has been and will continue to be our army. However, no one should misinterpret this and think that our values could weaken our firm resolve to defend Costa Rica from any kind of foreign imposition, the PLN candidate stated.

EL SALVADOR

TENORIO SAYS SUPPORT FOR CONTADORA CONTINUES

PA200354 Panama City ACAN in Spanish 0105 GMT 20 Feb 85

[Text] San Salvador, 19 Feb (ACAN-EFE) -- Salvadoran Foreign Minister Jorge Eduardo Tenorio today declared that the Contadora Group has not failed in its peace efforts for the Central American area.

At a press conference, the official said that the Salvadoran Government continues to support the efforts of the pacification group made up of Mexico, Panama, Colombia, and Venezuela, and that the mere suspension of a meeting does not mean the failure of such efforts.

Tenorio explained that a meeting of Central American foreign ministers and those of the Contadora Group was suspended in the middle of this month in Panama by a decision of the latter due to diplomatic differences between Nicaragua and Costa Rica.

Last December the Sandinist police took Nicaraguan citizen Jose Manuel Urbina Lara from the Costa Rican Embassy where he had asked for asylum, according to the Costa Rican Government.

Tenorio said that El Salvador and Honduras supported Costa Rica and refused to attend meeting of the Contadora Group until the Sandinist government gives Costa Rica a satisfactory explanation in the Urbina case.

The Salvadoran official pointed out that this attitude did not imply a "divorce" from the peace process being promoted by Contadora but, he added, "El Salvador supports democracy and Costa Rica in its demand."

The foreign minister affirmed that the right to asylum "is today the most perfect, incorrupt, and cherished institution of American international law, and to defend it is a noble cause." He pointed out: "When a country fails to respect commitments that to some are of great importance, we worry whether they will respect more significant commitments such as a peace treaty, arms issues, the elimination of illegal arms traffic, and similar commitments."

The foreign minister noted that the Salvadoran Government feels that the Central American countries must assume a leading role in the search for peace in the region and directly participate in all aspects involving the efforts of the Contadora Group.

"The Central American nations own their own destiny and should behave that way. This does not mean a disadvantage for the efforts of good working groups, but rather places them in their proper perspective," Tenorio affirmed. In that respect, the official added: "We are willing to assume the our role to promote the pacification effort, but not to be pushed into the process."

ARMY, REBELS CLASH IN DOWNTOWN SAN SALVADOR

PA210234 Panama City ACAN in Spanish 0203 GMT 21 Feb 85

[Text] San Salvador, 20 Feb (ACAN-EFE) -- A fierce shootout between Armed Forces members and guerrilla groups took place tonight in the downtown area of the capital. The clash, near Cuscatlan Park, was very fierce, but casualty figures are unknown, according to National Police spokesmen's statements to ACAN-EFE.

A loud explosion was also heard near the headquarters of the National Conciliation Party; it was apparently provoked when rebel commando units attacked a vehicle carrying national policemen, according to reports by a ham radio operator. The National Police have yet to confirm this event.

Several electric poles were blown up today by rebel groups in the northwestern sector of San Salvador, according to official sources.

GUATEMALA

GOVERNMENT OFFERS TO MEDIATE URBINA LARA DISPUTE

FL210032 Mexico City NOTIMEX in Spanish 2200 GMT 20 Feb 85

[Text] Mexico City, 20 Feb (NOTIMEX) -- Guatemalan Ambassador to Mexico Julio Cesar Mendez Montenegro has said the Guatemalan Government trusts the talks sponsored by the Contadora Group will be renewed, and maintains its neutrality in the Nicaraguan-Costa Rican dispute involving Jose Manuel Urbina Lara. He said: We maintain an independent position and do not support either of the two nations that caused the suspension of the talks; we do, however, offer to mediate in the conflict.

After reiterating his support for Contadora, he said Guatemala had never presented any objections to the peace document and had not supported the changes made. Guatemala has always supported the attempt to reach agreement through dialogue.

The diplomat said there is no concrete formula for negotiations between Costa Rica and Nicaragua but that at the moment the important thing is for the two nations to accept Guatemalan mediation.

Finally, Mendez Montenegro said the fact that Guatemala is offering to mediate in the dispute between Nicaragua and Costa Rica so the Contadora Group can continue its peace efforts is proof that Guatemala expects the Contadora talks to be renewed.

MEJIA, CABINET DISCUSS ECONOMIC PROBLEMS

PA200226 Guatemala City PRENSA LIBRE in Spanish 19 Feb 85 p 2

[Text] The Guatemalan Government's economic cabinet met with Head of State General Oscar Mejia Victores at the Presidential Palace for more than 4 hours to discuss various national economic problems.

According to official reports, the U.S. dollar's gain compared to Guatemalan currency was discussed, as well as the analyses that will force the government to take measures to stabilize Guatemalan currency, particularly in the parallel market.

Luis Solares Aguilar, minister of communications, transport, and public works, told journalists on leaving the Presidential Palace that one of the topics discussed was an increase in the prices of basic products and those related to transportation.

A commission was formed to consider the tire problem to try and determine whether a price increase is justified.

HONDURAS

SECURITY COUNCIL DISCUSSES CONTADORA, U.S. TALKS

PA201815 Tegucigalpa Televisora Hondurena in Spanish 0130 GMT 20 Feb 85

[Report by Regina Osorio]

[Text] The National Security Council met today for more than 4 hours at the Government House. This council includes the president and the highest-ranking military leaders in our country. According to Foreign Secretary Edgardo Paz Barnica, council spokesman, the meeting did not end; rather it was suspended and will continue tomorrow. At the end of the meeting, ample reports will be released on the issues discussed. Foreign Minister Paz Barnica offered a few details on today's meeting:

[Begin recording] [Osorio] For more than 4 hours today, members of the National Security Council discussed the meeting held last week by the foreign ministers of El Salvador, Costa Rica, and Honduras, Foreign Secretary Edgardo Paz Barnica, council spokesman, said:

[Paz Barnica] I would like to state briefly that the National Security Council discussed issues of fundamental importance for the country, issues pertaining to the exercise of national sovereignty in defense of the Honduran people's interests. As foreign secretary, I reported on the meeting of foreign ministers from Costa Rica, El Salvador, and Honduras last week in San Jose on the Contadora Group's peace efforts, since the meeting of plenipotentiaries to discuss issues of international control and verification was thwarted.

The meeting did not take place as scheduled on 14 and 15 February because the Costa Rican Government said it would not attend if Nicaragua did not fulfill the commitment it had made, through the Contadora Group's special mediation, to return to Costa Rica Mr Urbina Lara, a Nicaraguan refugee who sought asylum at the Costa Rican Embassy in Managua. Urbina has not been turned over to another country and is still being held captive. This shows that there is a problem and as long as it is not resolved, the Contadora Group will be paralyzed by the Nicaraguan Government's attitude. We believe the Contadora Group will be strengthened and will succeed.

[Osorio] Meanwhile, Paz Barnica said that the military and economic negotiations between Honduras and the United States will continue.

[Paz Barnica] At the last Security Council meeting, the president designated a commission to coordinate various activities within the framework of the bilateral negotiations with the United States. Today this commission presented a report on the progress made in the political, security, and economic cooperation negotiations. Logically, a negotiating process such as this one, initiated by the Honduran Government, and I say initiated by the Honduran Government because it began with the statements addressed to the Reagan government last year, is very important for the country today and in the future, and anything that is important is complex. In all negotiations there are successes and stumbling blocks, but believe me, the negotiations are on the right path. They seek the goals we have stated on many occasions: to strengthen the relations of friendship and cooperation between Honduras and the United States, a country with which we share the ideas of peace, security, and cooperation for economic and social development.

To Honduras, these negotiations mean the reaffirmation of its sovereignty, its dignity, and mutual respect in international relations [words indistinct].

[Osorio] To conclude, Paz Barnica said that neither Costa Rica, El Salvador, nor Honduras was pressured by the United States not to attend the Contadora Group meeting to be held last week. [end recording]

Goes Into Permanent Session

PA210433 Paris AFP in Spanish 0330 GMT 21 Feb 85

[Text] Tegucigalpa, 20 Feb (AFP) -- The National Security Council, headed by President Roberto Suazo Cordova and the chief of the Armed Forces, General Walter Lopez, today declared itself in permanent session, according to Foreign Secretary Edgardo Paz Barnica. However, Paz Barnica refused to reveal the reasons for the decision and said only that the ranking organization will be ready to learn immediately about matters related to national security. The council met Tuesday morning and the session was renewed today, when it made the decision.

The foreign secretary denied that the decision, never before applied in the current administration, had anything to do with the current negotiations on the revision of the military treaties signed with the United States in1984.

Paz Barnica added that the decision has nothing to do with the Contadora peace process, which is actually at a standstill.

The National Security Council also includes the ministers of government, the presidency, and foreign relations; the joint chief of staff of the Armed Forces; and the commanders of the different branches of the Armed Forces.

LIBERAL PARTY ALLEGES PLOT AGAINST GOVERNMENT

Part I of Document

PA160032 San Pedro Sula LA PRENSA in Spanish 9 Feb 85 p 2

[Part I of document released by the Liberal Party: "Outline on the Origin of a Plot and the Coincidences Within a Coalition;" date not given]

[Text] Constitutional Considerations:

1. The president of the Republic may only be replaced, as stated in Article 242 of the Constitution, when there is an absolute absence owing to a real and permanent incapacity, such as in the case of death, total or permanent disability, or when the National Congress accepts his resignation or impeaches him by a majority vote (Article 205, Paragraph 12 of the Constitution). In this respect, there is no mention at all about the absence of the president of the Supreme Court of Justice. However, this legal oversight could be solved if the Council of Ministers were to assume the leadership of the executive branch, as per Article 242, Paragraph 3.

2. The president's absence could be due to the fact that his election was not proclaimed a day before 26 January on the year a new presidential period starts. In this case, the vacancy would be filled at the Council of Ministers in accordance with the above article.

3. If the president-elect does not come forward to take office, Article 243 of the Constitution empowers the National Congress to elect one of the deputies to the presidency until the president-elect appears.

The motion to replace the president may be submitted to the National Congress by the president himself, the Council of Ministers, or any deputy. At any rate the motion must be accompanied by proof of a president's disability.

Congress alone may replace the president after determining its justification (Article 205 of the Constitution), following the procedures stipulated in Articles 1285 and 1286, contained in the second part of the Procedural Code regarding procedures on criminal matters.

General and Specific Considerations That May Justify the Constitutional Removal of the President:

1. The country's economic and social situation reaching the point that the immediate implementation of an emergency plan involving heroic, daring, and possibly unpopular, in some quarters, measures needed to prevent national catastrophe or anarchy. These measures can be adopted only be a democratic regime strongly backed by all the economic, social, political, and military sectors.

That government and its work program must stem from a consensus among all the groups representing the country. Above all, the government must stem from the country's commitment to form a government made up of the most able and honest Hondurans, who represent all of the groups participating in this endeavor, so that these persons can promote actions to correct the current pressing situation.

It is obvious that such a government cannot be influenced by any of the traditional political parties because of the ineptitude and political sectarianism of most of their leaders. The new parties also lack the political force to face the task.

A democratic and strong government cannot be obtained as desired by leaving things to the results of an electoral process, because by the time of the next elections the situation would have reached a crisis point and then it will be too late.

2. The country's democratization process, promoted by the Armed Forces is being seriously threatened by the administration's devious policy which seeks the personal continuism of the head of the executive branch to perpetuate the Liberal Party's control of the government and to become the only party, like the Institutional Revolutionary Party [PRI] in Mexico. With this in mind they have seized the social organizations opposing them, and intervened in the National Party to make it a stooge of the groups supporting Suazo Cordova, which have set up a dictatorship within the Liberal Party, and abolish from it all democratic expression. This has seriously hurt the democratization process, which has practically been destroyed or is about to be destroyed forever.

3. The citizens' identification process and electoral registry programs are being manipulated in such a way that they have been completely altered. They are no longer a reliable instrument, even to determine our nationality or establish our voter's rights. There is irrefutable proof of crude alterations, improper entries, and the deliberate delays in its preparation to take advantage of political activities. All this has to be corrected before general elections are held in the country.

4. The actions referred to in the previous paragraphs, together with constant deterioration of the standard of living, are leading the country to a very serious state of tension, which could break at any moment, the precarious balance that has existed because of the relative calm in which we live. The desperate situation of general poverty which is extending to the middle class, the government's political and social abuses, the lack of an explanation about missing persons, the farcical attitude of some high government officials, and the lost hopes for change are leading the people to a desperate situation, which if not corrected in time could explode, either with a rightist dictatorship, repressive and bloody, or with a radical revolution which would cause much pain and sacrifice to Hondurans.

5. The Armed Forces is the only institution with the capacity to assume the leadership and promote a deliberative and democratic government within a constitutional framework, which can handle the serious situation the people are facing.

Under a constitutional system, the executive branch should be entrusted to the most apt successors to complete the present term, and if necessary at a given time to preserve the vital interests of the nation the government could be entrusted to the Council of Ministers, properly organized, so that based on Article 242, Paragraph 3, it will convoke a constituent assembly as the supreme authority of the state to implement the necessary and suitable measures for the nation's health. Meanwhile, the Council of Ministers would continue acting as the provisional government headed by the government minister, as established in Paragraph 4 of the same article. Congress and the Supreme Court of Justice would continue functioning until the constituent assembly is installed and the state branches are organized.

6. The action taken by the Armed Forces should be justified by the preservation of the Constitution and its objective to create a government which is the real expression of the democratic, pluralist and participative will of the Honduran people.

7. With the described procedure, the Armed Forces, far from violating the Constitution, would be strengthening it and fulfilling its duties according to Article 272 of the Constitution by maintaining peace, public order, and the basic principles of representative democracy.

Summary of Actions To Be Carried Out:

1. a) To replace the head of the executive branch with someone designated, or by the president of Congress (Article 242 of the Constitution); b) to organize immediately a ministerial council with the most apt and representative individuals; c) to reorganize the board of directors of Congress, appoint a new Supreme Court of Justice, and reorganize the boards of directors of the autonomous institutions, following the principle of national integration and the aptitude of the person chosen to hold a post; d) to revise the electoral law, to put in order and complete the census-taking and registration process; e) to call a dialogue to discuss the national plan to implement an immediate action program; f) to draft a constitutional amendment bill.

2. a) For not holding elections for president and designates on 27 January 1986, the ministerial council should assume the duties of the executive branch and within the next 15 days, call for elections to elect a constituent assembly. The elections should be held in a period of no less than 4 nor more than 6 months from the date of the call to elections, based on Article 242, Paragraph 3 of the Constitution. This election should be held according to the amended electoral law and the revised census; b) to continue drafting the constitutional amendment bill and the emergency measure of the action plan.

3. a) Once the constituent assembly is installed, it proceeds to organize the state's branches according to a national commitment; b) it approves the actions of the executive and judicial branches; c) it discusses and approves the amendments to the Constitution and establishes a transitory system for an integrated and participative government for the two first administrations, in order to firmly set up the functioning of democratic, deliberative, and pluralist governments in the country and to ensure the realization of renewal and modernization in the country's economic, political and cultural structures.

Coincidence or not, this seems to be the contents of the document, the statements of the so called Coordinating Board and the campaigns that have been going for some time against the constitutional government of the Republic by various news media.

The Honduran people and the international public opinion can judge for themselves.

[Signed] Liberal Party Central Executive Council

Part II of Document

PA160406 San Pedro Sula LA PRENSA in Spanish 11 Feb 85 p 3

[Part II of document released by the Liberal Party: "Outline on the Origin of a Plot and the Coincidences Within a Coalition"]

[Text] Today, the Central Executive Council of the Liberal Party of Honduras released the second part of the document which demonstrates that there has been a conspiracy against the de jure system that the Liberal Party is trying to consolidate.

According to the conspirators, they alone can rescue the democratic system and fully abide by the Constitution.

The Central Executive Council calls the people's attention to the pretension of the hooded ones, as they are described, in jeopardizing the Army's honor and dignity, which were only recently recovered. This is the second part of the document.

The Central Executive Council of the Liberal Party of Honduras presents to the Honduran people and international opinion the second part of a coup planned in Tegucigalpa on 31 December 1984 by a group of politicians and professionals well versed in constitutional law. Some of them have coupist antecedents, while others have been blinded by ambition, but all of them conspire to destroy the democratic regime and impose violence on the mandate of President Roberto Suazo Cordova, who was elected by the majority of the Honduran people in two consecutive elections. This document has been in the hands of the Liberal Party authorities and is being released today at the insistence of the conspirators, who have not abandoned their purpose of destabilizing the government of the people, which was freely elected by the majority of the Honduran people. Let the Honduran people, international opinion, and democracies of the world judge this conspiracy.

According to the plotters, there are strategic moves necessary for solving Honduras' current political problems and actions that should be taken. To solve the current political problems, see Annex No 1. In order to achieve the goals described in Annex No 2 it is necessary to change the current government and this can only be done through two means:

1. Through the application of constitutional norms and the resignation of the president, and the three presidential designates. All this aims at having the executive power be held, in accordance with the precedent established by the Constitution, by the current president of the National Congress. This election, however, according to the Constitution, is the responsibility of the legislative body. The pertinent section is Article 205, subparagraphs 12 and 242.

Inconveniences: The above solution presupposes that the four officials to be ousted will willingly resign their posts. Furthermore, it would be difficult to attain the required majority in the Congress. A similar situation would occur when trying to reorganize the Supreme Court of Justice. In addition, through this procedure, the legitimacy required for the execution of the plan would be eliminated.

2. Overthrow the highest authorities and replace them with a civilian-military government junta formed by a high-ranking Armed Forces officer, a member of the National Party of Honduras, and a member of the National Party of Honduras, and a member of the Liberal Party. The latter two would be designated in consultation with the group that drafted this plan. This solution must be justified before both national and international opinion with the facts to be included in the government proclamation to be announced.

Regarding these alternatives, it is necessary to add that there is no constitutional provision that expressly authorizes the overthrow of a government. By their very nature, it is difficult to formalize such provisions. This solution, however, could be based on Articles 3, 239, and 272 of the Constitution. Article 3 provides for insurrection in the defense of constitutional order. Article 239 stipulates: The citizen who has occupied the Presidency will not be able to be a presidential designate. Anyone violating this provision or proposing its amendment, and those who directly or indirectly support him, will immediately cease in their respective functions and will be disqualified from holding any public office for 10 years. Article 272 indicates: The Honduran Armed Forces are a national, permanent institution, essentially professional, nonpolitical, obedient, and nonbelligerent. The Armed Forces have been established to defend the national territory and sovereignty and to maintain peace, public order and the Constitution, as well as free election principles and the alternability of the presidential position.

The following can be invoked as justification for this second solution:

A. According to the statements of high authorities, such as secretaries of state and National Congress deputies, to print, radio, and television media, it is evident that a serious problem is encountered when trying to achieve the continuity of the current government through the suspension, that is to say, the breaking or violation of the constitutional provisions forbidding reelection or continuism of the citizen who functions as president.

B. In support of the purpose indicated in the previous paragraph and in an effort to legitimize it, the deliberate slowness with which people are being registered is easy to see. In this manner, when the time comes to elect the nation's high authorities, a significant number of citizens able to vote will not have been registered, as stipulated by Article 217-E, of the electoral and political organizations law.

C. As is well known and acknowledged by the president himself and as was published by LA PRENSA newspaper on 16 March 1984, a large number of foreigners have been registered at the Civil Registry. This imperils the fair electoral process according to which the government must be based on the principle of participatory democracy, from which national integrity is derived and which implies the participation of all political sectors in the public adminisration to ensure and strengthen the progress of Honduras. This progress has to be based on political stability and national conciliation.

When the Supreme Court of Justice was organized at the beginning of this government, only one court member was appointed in propriety. He was a member of one of the opposition parties, which represented nearly 50 percent of all votes cast. Also, only one secretary of state was appointed, from the same party, out of the 13 secretaries who make up the cabinet.

E. [As received; point D omitted] There have been violations of the Civil Service Law, the Teachers' Roster Law, and the judicial profession since the very beginning of the regime because officials and employees who were not members of the government party were unfairly dismissed and replaced by government party followers. Such actions violate the stability provided for in Article 257 and 309 of the Constitution.

F. As has been expressed in the Annex 1 analysis of the current situation, the government openly interferes in the affairs of the political parties by taking advantage of the government's majority in electoral organizations. In this manner, the government prevents the opposition parties from freely exerting the rights accorded them by the Constitution and bylaws. It systematically provokes division within the parties and weakens them by supporting and attributing to minority factions of the parties their representation, thereby further creating a deeper rift in the Honduran population.

G. Attacking the proportional representation system established by Article 46 of the Constitution, the current government plans to (?amend) the electoral and political organizations law, which deals with the right to representation [words indistinct] to officially announce the election of deputies to the National Congress in order to destroy the minority parties or leave them without representation.

H. Incidents of administrative corruption committed by government officials have been notorious, as widely reported by the press, but corrective action has not been taken, nor have the guilty been punished.

Going deeper into the reasons for this solution, we can invoke the distinction that political law specialists make between legitimate and illegitimate governments. According to this distinction, the current government is legitimate because of the manner in which it acceded to power, but illegitimate for the reasons already mentioned, as well as for its systematic and flagrant violations of the Constitution and bylaws.

Dr Mario Justo Lopez, political law professor at the law and social sciences faculty at Buenos Aires University, in his treatise, "Introduction to Political Studies, Volume Two," in which he discusses the Argentine doctrine on coups, said that these coups have a legitimate origin in the so-called critical cases. He defines critical cases as situations that have no legal remedy or solution because those in charge of applying the norms do not do so. He continues to say that the critical cases entitle the people to resist the regime's oppression. There is oppression when the law is violated by government officials when applied to individual cases. In addition, Dr Herman J. Vilar Campos, who wrote the treatise, "Constitutional Law, Volume One," in which he discusses the right to resist oppression, says on page 572: In those situations in which an uprising against an unjust regime occurs to restore a fair constitution that has been trampled upon and ignored, a government that has originated in the revolution must, once the constitution has been restored, submit the drafting of the bylaws to the normal government entities.

For these reasons, this solution would be supported by the already mentioned Article 3 in the Constitution, as well as by the thoughts of Francisco Morazan which were included in his manifesto and addressed to the Honduran people in Tegucigalpa on 4 May 1830. This manifesto says in part: If all authorities fail to do their duties, freedom is endangered, and those who form the society must recover the authority that they entrusted to those who have abused power.

Recommendations: In the event the second solution, considered the most convenient, is adopted, the following is advised:

1. A state council should be established to replace the regular congress and assist the government in its legislative functions. This council would be formed by able persons who represent the various political sectors. These persons would be chosen by the board [not further identified].

2. In order to fully restore normalcy in the national life, the current Constitution should be kept in force, as well as the bylaws that do not oppose the organization of the new government. This government's term should not be less than 3 years.

In order to explain or expand on the government change hereby presented, a meeting between the group that drafted the plan and members of the Armed Forces should be held.

Tegucigalpa, 31 December 1984

Annex 1: Analysis of the current situation: At this historical moment, Honduras is the victim of injustice, violence, sectarianism, and constant government violations of the laws that regulate state and society. These violations infringe upon basic human rights. Sectarianism is expressed through the removal of all employees who do not belong to the ruling party, including even those in the lowest ranks. The government openly interferes in the affairs of the political parties by the use of the government's majority in electoral organizations. The government has prevented the opposition parties from freely exerting the rights accorded them by the Constitution and bylaws and has systematically provoked divisionism and the weakening of the political parties.

Foreign indebtedness continues to increase. Government officials constantly travel to the United States, Western Europe, Japan, and Nationalist China to secure new loans. If this trend is not checked in time, this foreign debt will grow so big and become so incompatible with the country's ability to pay that it will bring about an economic collapse with dangerous consequences.

The peace internationalization policy proclaimed by the Honduran foreign secretary at the OAS has not fulfilled its objectives. The solution of the border problems with El Salvador has not progressed as rapidly as we all expected after the general peace and borders treaty was signed in 1980.

Annex 2. Objectives to be pursued: A) to restore the democratic system to the nation, as well as the full enforcement of the Constitution; B) to reaffirm sovereignty and territorial integrity by fulfilling the 1980 general peace and border agreement; C) to assert personal rights regarding life, security, property, and honor, as well as all other basic rights; D) to guarantee investments as a means to develop the country and combat unemployment; E) to guarantee and strengthen the rights of political, trade, and union organizations; F) to promote and maintain peace and harmony in the Honduran society, regardless of race, rank, or religion; G) to fully restore laws through their strict enforcement by both administrative authorities and the nation's courts; H) to establish a true austerity policy in public expenditures, to limit the use of foreign credit to production purposes, and to answer to the people regarding investments; I) to revise the agrarian reform in depth in order to make agriculture a productive enterprise that will benefit both peasants and landowners, thereby turning the reform into an economic development factor; and J) to guarantee purity of voter registration through the representation of all the nation's sectors in the government organizations.

The Central Executive Council of the Liberal Party complies with its patriotic duty to warn the people and democratic leaders and condemns the hooded ones who are always attacking public power against the people's will. According to the plan presented, these hooded ones are trying to jeopardize the honor and dignity of our Armed Forces, which enjoy the full support by the Honduran people.

[Signed] Liberal Party Executive Central Council

Tegucigalpa, 31 December 1984

Let the people judge.

NICARAGUA

H. ORTEGA SAYS U.S. PREPARING FOR INVASION

PA202015 Managua Radio Sandino Network in Spanish 1200 GMT 20 Feb 85

[Text] Nicaraguan Defense Minister Commander Humberto Ortega stressed the country's defense mechanisms in face of an eventual U.S. invasion and the fact that the U.S. military presence in Central America has noticeably increased in the past few years, especially in Honduran territory. The following is an excerpt of Commander Ortega's statements made yesterday during his visit to Hill 110, Somotillo region, Chinandega Department, where he inspected the national defenses:

[Begin recording] As you heard during Commander Julio Ramos' explanation, the U.S. military presence has been increasing. This growth has not only been numerical but also in the type of maneuvers and exercises held. The most important fact is that these maneuvers are being held to better acquaint U.S. forces with the conditions in the area, the topography, the climate, and the area in general.

Regarding the defense of Nicaragua, this area outlined on this map is one those most threatened by an interventionist policy such as the one that Nicaragua [words indistinct] by the current U.S. Administration. An important fact is that with this type of exercise or maneuvers, the United States gains a greater [words indistinct] of the area in order to quickly carry out an eventual invasion against our territory, counting on the complementary support of another army in the area, in this case the Honduran Army.

We wanted you to become more aware of this situation. These maneuvers are being held at a time when the U.S. Administration has carried out some maneuvers that have hindered the peacemaking efforts within the framework of Contadora and Manzanillo, before other forums, and that have hindered the bilateral relations between Nicaragua and Honduras and Nicaragua and Costa Rica. The United States has boycotted all that Nicaragua has sought. It boycotted the Manzanillo efforts and the Contadora efforts. Its boycott of Contadora does not mean that Contadora is dead: We continue to believe that Contadora is the most important forum to achieve a negotiated political solution for peace in the Central American region. Contadora expresses the feelings of the Latin American peoples, of our people, in its urgent search for peace in the region. The Contadora process has been hindered, especially through the maneuver to affect the bilateral relations between Nicaragua and Costa Rica. We are putting forth all our efforts for Contadora to continue advancing in its peacemaking efforts.

However, it is important to stress that the United States has practically shut down the Manzanillo talks, it has somewhat boycotted Contadora, it has affected relations between Costa Rica and Nicaragua, and it has ended the talks between Nicaragua and Honduras that in the past were held here in Guasaule, where we met with high-ranking Honduran Government authorities. Former Honduran President Policarpo Paz met here with Commander Daniel Ortega representing Nicaragua. Ortega was accompanied by high-ranking Nicaraguan military officers. This was an effort in our bilateral relations to find possibilities for an understanding and to communicate. This continues to be necessary today.

Therefore, to the degree that they [the United States] achieve a greater lack of communication for resolving political problems, they increase their direct military presence in the area, become better acquainted with the area of military operations, and prepare for an invasion that in the past few years they have been perfecting at the Southern Command in Panama. [end recording]

ARCE ON WAYS TO COUNTER U.S. 'ECONOMIC AGGRESSION'

PA152317 Managua Radio Sandino Network in Spanish 1200 GMT 15 Feb 85

[Text] Commander of the Revolution Bayardo Arce Castano, coordinator of the FSLN Political Committee, said yesterday that the Nicaraguan people must see to it that the new economic measures are fully complied with, in the same spirit with which we faced the insurrection. Arce stated that the people's primary task is to win the war imposed on us by the current U.S. Administration. The FSLN National Directorate member said that all effort must be directed toward the country's military defense, that is, to provide the fatherland's fighters with the best possible conditions. The people's second task is to produce more efficiently and to equitably distribute the country's material resources. He said that the people must realize that those left behind must assume the functions performed by each of the comrades sent to defend the nation's sovereignty.

Arce Castano added that the implementation of the new economic measures seeks to resist the U.S. economic and military attack against our country. Commander of the Revolution Bayardo Arce Castano made this statement yesterday during a meeting with the Sandinist Defense Committees [CDS] leaders from throughout the country.

[Begin recording] The Reagan administration's aggressive policies against us have not been determined by and have not centered around one single course of action. Instead, the United States, through a great number of resources available to it, have engaged in diverse forms of aggression which complement each other. Although one of these options may be more devastating and quicker than others, our people must not overlook any of them, primarily because the international situation allows some of these forms of aggression, such as economic aggression, to inflict great harm upon us.

We have tried to make the people realize that the international economic situation is extremely difficult for all developing nations and even for some developed nations. Unfortunately, we have not been able to make the great capitalist powers understand the future implications of their present international economic policy. We are however, looking at the effect on Latin America in particular. Each year, the Latin American countries experience an increase in their foreign debt and thus have less funds to develop their economies. Therefore, each country must perform acrobatics at home to distribute their goods and resources. [end recording]

Commander Arce stated that the CDS members must understand the new economic measures so as to be able to explain to the rank and file the reasons that led to their implementation. Arce stated that in addition to the current international policy's negative impact on our economy, Nicaragua is a victim of the U.S. financial blockade against the Sandinist people's revolution.

[Begin recording] And so we are saying that in addition to the economic situation, and before going into details about the war, I want to comment on the economic situation. Our situation is the same as everywhere else in the world, yet we are also facing an economic aggression. How is this economic aggression carried out? Based on an international agreement, the United States used to buy sugar at better prices. Then, they lowered our quota by 90 percent; if we used to sell them 100 quintals, now we sell them only 10. When this happened, the United States was buying sugar from us at $17, while the international market price was only $7. You can imagine the blow dealt to us by the reduction. They suspended their meat purchases for several months and then tightened their requirements for meat purchases.

When they closed our consular offices, you may remember how they chased out our six consular officials in that country. The United States has even made it difficult for us to buy U.S.-made spare parts and goods. It is not the same to have a state dealing with local U.S. businessmen and enterprises than to have to try to purchase everything through the U.S. Government.

Since 1980 we have not received a penny from the United States. And yet, the United States has been providing other countries with economic assistance in the form of grants or loans. We do not receive that kind of economic cooperation. To make matters worse, all our efforts to obtain international credit or loans meet with opposition from the United States. Since the United States has great economic leverage and there is practically no country in the world that does not owe money to the United States, that country manages to stop all aid from international organizations. Thus there are some organizations that have not given us any aid for quite some time. The IMF is one of those institutions. However, we had better not ask them for funds, lest they impose political conditions on us. The International Bank for Reconstruction and Development has not provided us with any aid.

They have delayed some assistance to us and have frozen some from the Inter-American Development Bank. In addition, they pressure many countries not to provide us with bilateral, that is on a one to one basis, cooperation. On top of the present economic crisis affecting Latin America, we are facing economic aggression, as manifested in closed markets, blocked credit sources, and our inability to acquire goods in those markets. As is expected, our situation is very difficult. [end recording]

Bayardo Arce added that we must include the most damaging aspect of our economic situation: the war which Reagan has been promoting and financing for over 3 years to undo the Nicaraguan revolutionary process.

[Begin recording] As if this were not enough, we have been at war for over 3 years, a war that includes the destruction of economic objectives as part of its offensive plans. They have destroyed two customs offices, one in the north and the other south. They partially destroyed the international airport and fuel deposits. When they mined the ports, we lost seven fishing boats attempting to open up the ports. While the ports were mined every vessel bringing goods was afraid to enter. For lack of a better alternative we very courageously sent a fishing boat ahead, knowing it would be blown up if it hit a mine, but that way other vessels would be able to enter. We lost seven fishing boats that way.

The problem is not just the value of the fishing vessels, which in itself is substantial, amounting to many dollars, hundreds of thousands of dollars. Instead, the problem is that each fishing vessel was a tool that is no longer usable. It other words, the war is aimed at the economy. We must also add to this list the destruction of tractors, trucks to transport grains, construction mahcinery in the countryside, and pumps.

So far we have not been able to make our government sufficiently capable of reporting the news; we have not made our newsmen as efficient as they should be. So, we are not always able to get across the implications of the damage. Sometimes we report that in such and such a place they blew up a bridge; that is the news, the bridge. At the most we report that the bridge cost $300,000. Then people think that the damage amounted to $300,000, but that is not so. The destruction of the bridge may paralyze the transportation of grains or coffee beans from a farm for 15 days. During that 15-day period the coffee beans become rotten. It is no longer just that the value of the bridge was $300,000. We have lost a lot more in coffee revenues since we were not able to export it.

Thus, we have not been successful in informing our people of the impact of the damage. By way of example, when they destroy a truck the news is that they attacked a truck near Bocay, or they destroyed it near Wiwili. One would think that the damage was just to a $120,000 truck. The truck is not important, but it may have been the only one that transporting beans or maybe corn from that zone. Now there is no way to transport beans or corn from that zone. This situation affects the supply problem. [end recording]

That was Commander of the Revolution Bayardo Arce Castano, coordinator of the FSLN Political Committee. Yesterday he stated that workers must hold periodic meetings to clarify and overcome irregularities in each work center. During the meeting with CDS leaders, Arce stated that each worker must gain more confidence to make constructive criticism. Arce added that the CDS leaders must avoid letting their personal interests come before their relationship with the rank and file and must evenly distribute the staples sent through the road networks.

MINISTRY REQUESTS RETURN OF KIDNAP VICTIMS

PA201650 Managua Radio Sandino Network in Spanish 1200 GMT 20 Feb 85

[Communique issued by the Foreign Ministry in Managua on 19 February]

[Text] In view of the criminal actions carried out by the mercenary bands which, at the service of the U.S. Government, have undertaken the criminal task of kidnapping defenseless civilians, the Nicaraguan Foreign Ministry informs the Nicaraguan people, the international community, and especially the mothers and family members of the victims of the policy of terror suffered by our people, of the following:

The Foreign Ministry will continue to encourage the various organizations, forums, international institutions, including those institutions that sponsor and promote human rights, and renowned world personalities to offer their support and international cooperation to ensure the safe return of the kidnapped Nicaraguans.

Within the framework of these efforts, the Nicaraguan Foreign Minister has already addressed to the Costa Rican Government a request for cooperation in finding and protecting the lives and physical well-being of Dr Gustavo Sequeira Pena, deputy dean of the School of (?Medicine) of the National Autonomous University of Nicaragua, UNAN; Fernando Benito Areas Reyes, a student at the dental school; Celiana Coronado Falcon, member of the Javier Herrera Calderon Health Brigade; and Oscar Pavon Herrera, a 17-year-old member of the 50th Anniversary Education Brigade.

Likewise, the Nicaraguan foreign minister has addressed to the Honduran Government a similar request for cooperation for the repatriation of seven members of the 50th Anniversary Edcuation Brigade who were kidnapped. The seven educators are: 18-year-old Ana Julia Cortez, 20-year-old Elma Luisa Cortez Sieza, 19-year-old Maria Mercedes Rivas Obregon, 20-year-old Guillermo Osvaldo Rios Martinez, 21-year-old Luis Ramon Blandon Ceas, 17-year-old Marcia Mercedes Chamorro Corrales, and 25-year-old Carmen Cubillo Molina.

In its most recent official note to the Honduran Government issued today, the Nicaraguan Government has also asked Honduras to cooperate in arranging the release and repatriation of two adult education program coordinators [words indistinct] and three peasants kidnapped from El Gavilan cooperative, Esteli Department, and whose names are: Antonio Centeno Fuentes, Pedro Alonso Villareina, Gerardo Centeno Fuentes, Manuel Alaniz, and Enrique Vilches.

The Foreign Ministry considers that a positive response from the Governments of Honduras and Costa Rica would alleviate the suffering of these Nicaraguan families whose feelings cannot be ignored by countries that have unavoidable commitments to respect human rights.

[Signed] Nicaraguan Foreign Ministry; Managua, 19 February 1985

ORTEGA MEETS WITH PRIVATE SECTOR LEADERS

PA170123 Managua International Service in Spanish 0000 GMT 17 Feb 85

[Excerpt] The various problems affecting the region were analyzed today in Managua by President Commander Daniel Ortega and the productive, private, and labor sectors of the country.

During the meeting, which was broadcast to the Nicaraguan people over radio and television, several reports of varied ideologies were presented. The private sector was represented by Enrique Bolanos Geyer, president of the Higher Council of Private Enterprise, COSEP. Other speakers included the representatives of the Sandinist Central Organization of Workers, Central Organization of Nicaraguan Workers, and the National Union of Farmers and Cattlemen, as well as representatives of coffee, cotton, and rice producers. The meeting between the revolutionary government and the agricultural, cattle, private, state, and labor sectors lasted over 4 hours and ended after it was decided that the problems presented would be analyzed at separate meetings during which they will be discussed in depth.

Ortega's Remarks

PA171930 Managua Radio Sandino in Spanish 1300 GMT 17 Feb 85

[Text] A climate of sincerity and lively debate pervaded the meeting between Nicaraguan President Daniel Ortega and representatives of the Higher Council of Private Enterprise [COSEP], private producers, union leaders, and mass organizations. The main goal of the meeting, which took place yesterday at the Presidency, was to discuss and analyze the economic measures recently adopted by the revolutionary government. During the debate, which lasted more than 4 hours, participants were able to voice their concerns, suggestions, and objections to the government and state institutions freely. Some topics were: Nicaragua's economic crisis and ways to resolve it, the war imposed by U.S. imperialism, peace, and production problems. The president was accompanied by Agricultural Development and Agrarian Reform Minister Commander Jaime Wheelock Roman, cabinet members, and government officials.

During the meeting with the country's production sectors, President Ortega reaffirmed the principles of the Sandinist people's revolution: nonalignment, political pluralism, and a mixed economy. He spoke about the harsh economic crisis the country is experiencing as a result of the war that the Reagan administration promotes and finances against the Nicaraguan revolution.

During the meeting, the private sector, represented by COSEP, made a number of demands on the government, including reconsidering the confiscation policy, holding a dialogue with the people's murderers, and granting freedom of the press. President Ortega took note of the demands that COSEP President Enrique Bolanos read and referred to each of them when he spoke. With regard to businessmen's concerns over the implementation of the government's recently adopted economic measures, the president said:

[Begin recording] It is important to note that the economic measures we have proposed are not haphazard. We discussed them for months. Some are difficult to understand and in some ways they clash with the Nicaraguan people's expectations. As revolutionaries, our greatest responsibility is to the working people. However, because this is so, we are concerned with increasing production. Therefore, the measures are intended to give incentives to production and the productive sector, including private enterprise, which is a very important, even predominant, part of that sector. There are economic laws that can help you acquire the credibility in the political system that you lack and which is difficult to possess in view of the very complex (?laws) Nicaragua has. Nicaraguan laws have determined the course of the policies we have followed despite problems; they seek to promote and motivate production. On numerous occasions workers have protested and complained, because Nicaraguan workers are not imbeciles. The doctrine of intervention says that workers here are docile: it uses another term, subservient, no, another term, adulators. I dare say that this is the world's most critical people, which is a right that the people have obtained and exercise through the revolution.

Intervention contradicts itself because at the same time it says that workers do not comply with the government's guidelines. How can they then be termed subservient? One cannot expect workers to accept government measures automatically.

[Words indistinct] members of COSEP believe that the logical thing is to establish a free market system, in which distribution is not channeled to any particular sector of the population. From this macroeconomic point of view and the producers' standpoint, that system could have good results. However, looking at it from the standpoint of politics and the social problem, we must take into account that if we believed that the free market system were feasible alternative we would first have to make it palatable to workers so that they could endorse and implement it. With the revolution, the days when workers had no say are gone. When were workers ever allowed to discuss economic problems? However, over the past several years, technical and professional workers, both in the public and private sectors, have acquired knowledge. They have come a long way. The people, following a natural drive, are gradually acquiring knowledge. [end recording]

With regard to Bolanos' claim that the Sandinist people's revolution is strangling the private sector, President Daniel Ortega said:

[Begin recording] A revolutionary, radical, if you will, process like ours, which is promoting production, giving individual land titles in the countryside -- we promote not only state cooperatives -- is strengthening the private sector, not stifling it. If we were seeking to eliminate the private sector, measures like these would be working against us. [end recording]

Regarding the demand that unfair measures be reconsidered, President Ortega said:

[Begin recording] What basic historical fact are we facing? That there is a people's revolution in Nicaragua that has not launched itself against the private sector to eliminate it. There have been a number of confiscations, most of them just and some of them unjust; we have admitted this. Some arbitrary actions continue, it is true, but they are diminishing.

Several days ago we met with the president of the Supreme Court and the justice minister to review a number of cases that must be resolved. These cases are really outright injustices, and there is a Supreme Court ruling that stands. These problems must be resolved, but with a revolutionary spirit. If we find a case in which a farm has been made a cooperative with 200 peasants, it would be necessary to deal with those 200 peasants, evict them, and give the land back to the owner from whom it was unjustly seized. However, that is a political problem. The returning landowner himself would have 200 enemies for life, because the action would be incomprehensible to them. It is necessary to be more pragmatic in those cases; the piece of property could be purchased and paid off. However, that has not been done.

There have indeed been injustices, but they have not been the norm of this revolution. I would say that the revolution's norm has been to implement just measures. The document by COSEP -- we would like to keep a copy -- notes first a credibility problem. It says that there is no credibility and so peace cannot be achieved. Why is there this problem? Because those sectors have a difficult time understanding and accepting the fact that we are living amid revolutionary change. [end recording]

The revolutionary leader also spoke about the instability and expectation that U.S. aggression breeds in all sectors.

[Begin recording] The fact that the United States has chosen to attack us has been a determining factor that has bred instability and false expectations. The counterrevolution will continue to exist so long as the United States remains intent on supporting it. I can assure you that if the United States stopped supporting counterrevolutionary forces we would annihilate them in a matter of weeks. They are supported artificially: logistically with (?aircraft) sent by the CIA and with resources made available to them through military maneuvers staged in Honduras. The counterrevolutionary forces are not even led by Nicaraguans. It is a well-known fact, and is even reported by U.S. Government officials at the U.S. Congress, that the CIA directs the counterrevolution. Therefore, there is no possibility of a dialogue being established with Nicaraguan counterrevolutionaries. The leadership is not Nicaraguan, but foreign. Therefore, the dialogue must be conducted with those who are really directing the counterrevolution, the United States. (?We are) willing to talk with the United States on all these matters. However, to get back to the point of the expectations created by the U.S. Government: A false notion has existed for 4 years, and (?it will last 8 years), that the revolution can be defeated and that the process can be reversed. Naturally, with a powerful enemy like the United States fighting a small country like Nicaragua, we find many people who say: Nicaragua is finished, Nicaragua must lose the war, there will be a turning back to a counterrevolutionary [words indistinct]. That breeds instability, insecurity, and mistrust. [end recording]

To conclude, President Ortega said that the debate had been mature, serious, and responsible.

[Begin recording] I would like to acknowledge that during this meeting, although it was an impromptu encounter, there has been a great deal of maturity, responsibility, and seriousness in discussing problems. We must also acknowledge that Nicaragua, despite the U.S. aggression, the threat of U.S. military intervention, has remained steadfast. We are referring not only to workers, peasants, and the Nicaraguan youth, the champions and heart of this revolution, but to the production sector as well. This includes National Union of Farmers and Cattlemen and COSEP, technical and professional personnel working in the public and private sectors. It is incredible that at times of extreme tension, when it has seemed that invasion was imminent -- not imagined, but real; the United States threatens to strike the blow at any moment, like on 6 November 1984, for example -- there has not been a stampede by the private sector, by technical or professional people in the public and private sector. This proves that, beyond all things, beyond our differences, patriotic zeal and a spirit of national unity prevails. This is the unity that we call for. [end recording]

Bolanos Urges Dialogue

PA180238 Managua Radio Sandino in Spanish 1300 GMT 17 Feb 85

[Text] Enrique Bolanos Geyer, president of the Higher Council of Private Enterprise, COSEP, yesterday demanded a dialogue with the counterrevolutionary groups assassinating and raping our people. Speaking on behalf of his business organization, Bolanos Geyer emphasized two requests which he says the private sector believes are basic for the achievement of peace.

[Begin recording] We would like to see two other things, measures to advance toward the democratization of Nicaragua. Let us begin with, let us say, more freedom...[corrects himself] with freedom, not more freedom, of the press. It is better...[rephrases] The news media is being censored, and we know that we are facing a war situation, so it is better not to discuss these things in the newspapers and on the radio. We could do this and leave the news media free to talk about any other topic.

Finally, I would say that the government should give tangible evidence of its civic conscience, of its patriotism. We must really seek peace -- unlike the newspapers, which say every day that we will not achieve a solution or peace until we annihilate every one of our adversaries and not a single one is left alive. No, they are Nicaraguans. Why not seek instead to integrate them into our society by starting a real dialogue? Let us start discussing these things so that one day we can say that we solved our problems in Nicaragua. [end recording]

Lucio Jimenez, secretary general of the Sandinist Workers Central, CST, which represents most of the Nicaraguan workers, refuted Bolanos' statement saying that peace in Nicaraguan will be achieved when the people defeat the counterrevolutionary aggression.

[Begin recording] I wish to state here, clearly and precisely, that we will not be confused by the argument that peace is an absence of military actions. Companero President, I want to reassert here that peace must be achieved through military actions by the people and their vanguard, the FSLN. This should be clearly established, because if the workers do not exert themselves to annihilate these bands, how could we then dedicate our efforts to produce things? How could we see that many products -- which are largely sent to the war fronts to defend our sovereignty -- reach the stores? Therefore, we want to state that we are clearly aware of what the war represents for us and that the defense of our sovereignty is the top priority in our country to solve our economic situation. [end recording]

The labor leader added that the CIA mercenaries, who assassinate our people every day, destroy production centers, burn vehicles, blow up bridges, and perpetrate thousands of crimes, cannot be called Nicaraguans.

[Begin recording] The labor movement is discussing the revolution's future; the labor movement will not be confused by those who are paid by U.S. imperialism to assassinate our brothers and relatives. We will not be confused; they are not Nicaraguans; they are no longer Nicaraguans, Companero President. They stopped being Nicaraguans when they pointed their rifles at us. I also want to tell the companeros meeting here: To say that these men are Nicaraguans insults the feelings of thousands of mothers and thousands of children who have been assassinated by those mercenaries. Apparently only a few people, very few, in this country ignore the fact that they are paid and financed by the Reagan administration. [end recording]

COSEP Leader on Meeting

PA191818 San Jose Radio Impacto in Spanish 1830 GMT 18 Feb 85

[Text] COSEP has said that the country's problems do not stem from economic problems but from political problems. COSEP and representatives of various productive sectors and labor unions met with Commander Daniel Ortega for nearly 5 hours on Saturday. The Sandinists invited the opposition and other Sandinist sectors to a meeting to analyze Nicaragua's critical economic crisis. More than 400 people from across the country participated in the meeting. Even Sandinist labor leaders agreed in their criticism [words indistinct] and said that the FSLN is responsible for the organization of a political dialogue in Nicaragua. Impact News interviewed COSEP Vice President Ramiro Gurdian. In reply to our question on the outcome of that meeting, he said:

[Begin recording] [Gurdian] We went to that meeting with open minds and presented a document in which we clearly stated that Nicaragua's problem is not an economic one but an entirely political one. We stressed the need to reach agreements and to carry out thorough negotiations among all Nicaraguans, no matter what their outlook.

We realize that the underlying problem is political and must be solved immediately [words indistinct] to achieve better conditions which will lead to a change in the country's political outlook.

[Reporter] How did the FSLN react to your proposal?

[Gurdian] We really did not receive a [word indistinct] reply. We did notice, however, that there was a general consensus that we are all seeking peace. The problem is that some seek that peace by trying to exterminate their opponents; basically, we do not want anyone to do that. What we actually want is thorough negotiations to [word indistinct] and to be able to carry out the original government plan; this is the real issue behind all problems.

[Reporter] Did the Sandinists make a specific proposal to the business and labor sectors or did they only report on the situation?

[Gurdian] Well, they made no proposal; they reported on the situation and voiced their views. I think that people were very frank in expressing their views. They listened to us and also gave their opinions frankly. They were so frank that Commander Daniel Ortega even admitted that the rebels are Nicaraguans too. I believe this is a positive step forward. Previously, they were only the targets of insults, now they are recognized as part of the Nicaraguan process. I think there could be greater rapprochement between the two sides to narrow the gap between them. I think we could work toward that goal. Of course, we should not deceive ourselves because as long as there is no peace in Nicaragua, there will be no economic development in this country. [end recording]

Ramiro Gurdian said that no future meeting with the FSLN was scheduled. He added that specific measures are needed to facilitate such a meeting.

Conditions for Cooperation

PA200454 Managua LA PRENSA in Spanish 18 Feb 85 p 1

[Text] The Higher Council of Private Enterprise, COSEP, asked President Daniel Ortega for specific measures and not just promises during a public meeting last Saturday. Enrique Bolanos Geyer, president of COSEP, submitted five points to the government. If accepted, this could mean the beginning of COSEP cooperation with the government through committees, as proposed by President Ortega. The committees would discuss the properties confiscated by the former administration which was presided over by Commander Daniel Ortega. Before COSEP begins such discussions, the government must agree to the following points and not make empty promises:

1. To return the Prego soap factory, the La Perfecta dairy farm, and the Ismael Reyes factory to their original owners and the farms to Ramiro Gurdian and Alfredo Montealegre.

2. To restore to trade unions the right to negotiate salaries and wages, and to make the ILO principles effective for bosses, workers, and the government to carry out negotiations.

3. To anull immediately retroactive laws.

4. To guarantee measures to promote Nicaragua's democratization beginning with a free press.

5. To begin immediately a true dialogue for peace which will prove that it is a civil government rather than one trying to destroy its adversaries.

DEFENSE MINISTER SAYS MISURASATA TALKS TO RESUME

PA202136 Managua Radio Sandino in Spanish 1830 GMT 20 Feb 85

[Text] Defense Minister Humberto Ortega Saavedra, commander of the revolution, announced that talks between the Miskito group Miskito, Sumu, and Rama Sandinist Unity [Misurasata] and the revolutionary government will soon resume in Colombia to try to find a formula for peace on the Atlantic coast. Defense Minister Ortega said that the talks in Colombia will be between Commander Luis Carrion, representing the revolutionary government, and Brooklyn Rivera, representing the Misurasata group.

Concerning the country's defense, Humberto Ortega said that the Nicaraguan people are continuing their military training as members of the Sandinist people's militias. Defense Minister Ortega said that in case of an invasion, the Nicaragua people would conduct a war of attrition against the enemy on an undivided front, against an enemy which would not be a conventional army.

RIVERA REPEATS MISURASATA LEADERSHIP CLAIM

PA181454 San Jose LA REPUBLICA in Spanish 10 Feb 85 p 4

[Text] Brooklyn Rivera and other leaders of Misurasata have reiterated that they remain at the head of that organization and have rejected reports that Misurasata's leadership has changed. The leaders indicated that Joaquin Suazo, Guillermo Espinoza, and Rafael Zelaya are being utilized by enemies of Misurasata and will be expelled from the organization. Those three maintain that they are the new leaders of the group since Rivera's expulsion. Brooklyn Rivera, Marco Hokpinton, William Prestan, Walter Ortiz, and Eustasio Flores issued a communique yesterday in which they stated that Suazo, Espinoza, and Zelaya have fallen into the clutches of Misurasata's enemies.

EPS REPORTEDLY SHELLS 15 JINOTEGA COMMUNITIES

PA210137 San Jose Radio Impacto in Spanish 1830 GMT 20 Feb 85

["Exclusive" report from Honduras; date not given -- live or recorded]

[Excerpts] This is an exclusive report for Radio Impacto, Central America's most important radio station. This is an exclusive report for Radio Impacto listeners. Attention: At this very moment, 15 localities are being shelled indiscriminately by the Sandinist Army and have been shelled since early this morning, according to a Radio 15 September broadcast heard a few hours ago. The areas currently being shelled are: El Camastro, Aguacatales, La Rica, Jiquilite, La Mina, Cerro Venado, San Felipe, La Argentina, La Estrella, Palo Blanco, La Flor, El Prisionero, El Bramadero, [words indistinct] and Santa Elena. Hundreds of peasants are entering the mountains to escape the indiscriminate shelling.

It is feared that a large number of people living in these 15 villages will lose their lives. The attack is being executed by the Sandinist Army with long-range cannon and 82-mm mortars. As this report is being aired, hundreds of peasants, with only the clothing on their backs, their children, the elderly, and women are going deep into the mountains to escape the genocide being carried out by the Sandinist People's Army [EPS].

In later reports we will expand on this information, stressing that 15 communities in Jinotega Departmetn are being shelled.

COMMENTARY CRITICIZES PBS' CASTRO INTERVIEW

PA210341 Havana International Service in Spanish 0000 GMT 21 Feb 85

[Station commentary]

[Text] To everyone who saw last week's television interview given by President Fidel Castro Ruz to the U.S. broadcasting service [PBS] and who can now hear it in our program "Voices of the Revolution," it is evident that Cuba's image and revolutionary process have been distorted and superficially portrayed by imperialism and its most noted agents.

Far from attempting objective analysis and emphasizing ill-intended stereotypes and schemes, which are then mechanically passed on to the public, the enemy and its centers of ideologic diversionism intend to convey the impression that Cuba is a Soviet satellite, affected by economic and social disasters, and a violator of human rights. A long list of other lies accompanies these. However, the repetition of these falsehoods often become credible to many who involuntarily are made incapable of thinking, reasoning, or reaching their own conclusions.

Let us analyze some aspects of the interview with Fidel Castro conducted by newsman Robert MacNeil, truly a television professional. To him, and this was reflected in his questions, Cuba is in fact a satellite of the USSR void of all independence and bound to Moscow's will in exchange for an imaginary subsidy that sustains the Cuban economy. Such a claim, intended as an element of propaganda and surely prepared in the office of the U.S. intelligence services, did not take into account the analysis of the principles of fraternity that rule relations between the socialist nations and the historic examples contained within that context.

Accustomed to underestimating and exploiting the weaker nations by blackmailing and pressuring them in different ways, the imperialist circles cannot understand that the bonds between a large power such as the USSR and an underdeveloped country like Cuba can be based on the most absolute respect, equity, and solidarity. The claim that Cuba is a Soviet instrument used to export Marxism-Leninism to this continent could not be more absurd. The Cuban president explained in detail that revolution cannot be exported like a piece of merchandise. He was clear in noting that the conditions of exploitation, hunger, and repression ruling the Latin American and Caribbean area are the real detonators of the social movements which, by the way, Washington cannot avert.

During his interview Robert MacNeil enumerated other presumed affirmations that Washington manipulates concerning Cuba for propagandistic purposes. For example, he referred to an alleged Cuban economic deterioration when in fact it is the opposite. Thanks to the advances of the revolution and the fraternal cooperation of the socialist bloc nations, Cuba is one of the few underdeveloped nations, if not the only one, that enjoy high levels of public health, education, and food, having ensured its stable development for the coming years and whose industrial construction and geological prospects are simply extraordinary.

The imperialists take for granted the presence of Cuban troops in Nicaragua, another falsehood used to try to imply that Managua is an agent of Moscow and Havana in Central America. Meanwhile, they conceal the fact that thousands of U.S. troops are stationed in the region and that Washington arms, trains, and finances the mercenaries who, based in Honduras, harass the Sandinist process.

Another argument, intended to be presented as fact, is the presumed violation of human rights in Cuba, claiming such a violation in the imprisonment of those who, at the service of the CIA, intend to sabotage the national economy, kill our leaders, and take actions against the people's security and property. Aren't these crimes condemned in other countries? We ask the defenders of human rights at the U.S. official levels why they offer all kinds of aid and training to the Salvadoran criminals? Why do they support the fascist dictatorships in Latin America, the true murderers of their people like Pinochet and Duvalier? Why do they maintain close relations with the South African regime? Moreover, why are they the best allies of every unjust cause in the world?

These and other issues are addressed by the leader of the Cuban revolution, Fidel Castro Ruz, in the interview being aired by Radio Havana Cuba in its segment "Voices of the Revolution."

INTERNATIONAL TRADE COMPANY FORMED WITH ARGENTINA

FL191140 Havana Domestic Service in Spanish 1100 GMT 19 Feb 85

[Text] The Argentine press in Buenos Aires has emphasized the forming of an Argentine-Cuban international trade company, and underscored the fact that the firm is the first of its kind to be created in Argentina. Argenine experts said the company was formed to induce trade with a country with a centralized economy. The company is named (Leverage) and is run by Argentines with a large number of Cuban advisers who are representatives of enterprises in Cuba. One newspaper said the company is destined to be the impulse mechanism that will accelerate the exchange of goods with Cuba.

MEDAL GIVEN TO SOVIET MINISTER OF COMMUNICATIONS

FL191240 Havana Domestic Service in Spanish 1100 GMT 19 Feb 85

[Text] In Havana, the Order of Solidarity has been bestowed on Vasiliy Aleksandrovich Shamshin, Soviet minister of communications and candidate member of the CPSU Central Committee.

In a formal ceremony, Commander of the Revolution Guillermo Garcia, Politburo member and vice president of the Councils of State and Ministers, pinned the medal on Shamshin, who is also deputy chairman of the Soviet-Cuban Friendship Society.

Pedro Guelmes, Central Committee member and Cuba's minister of communications, read the Council of State's accord which recognizes Vasiliy Shamshin's efforts toward increasing solidarity with Cuba.

FRENCH LABOR DELEGATION VISITS SANTIAGO DE CUBA

FL191216 Havana Domestic Service in Spanish 1100 GMT 19 Feb 85

[Text] Henri Krasuki, Politburo member of the French Communist Party and secretary general of the General Confederation of Workers [CGT], and the delegation he is heading have met in Santiago de Cuba Province with members of the provincial secretariat of the Central Organization of Cuban Trade Unions [CTC].

Present at the meeting was Roberto Veiga, alternate Politburo member and CTC secretary general. Krasuki thanked them for their attention and the interesting information given to him, and expressed pleasure at visiting Santiago de Cuba Province for the first time. He had heard about the area because of its relevant role in the history of the Cuban revolution.

Meets Camacho Aguilera

FL201448 Havana Domestic Service in Spanish 1232 GMT 20 Feb 85

[Text] Julio Camacho Aguilera, Politburo member and party first secretary in Santiago de Cuba, has met with Henri Krasuki, Politburo member of the French Communist Party and secretary general of the General Confederation of Workers, and the delegation he heads.

RODRIGUEZ, MALMIERCA SPEAK AT MINREX MEETING

FL200214 Havana Domestic Service in Spanish 0000 GMT 20 Feb 85

[Excerpts] Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers, this afternoon closed the annual plenary meeting of the Ministry of Foreign Relations [Minrex] that met in FAR Universal Hall.

At the meeting, Isidoro Malmierca, minister of foreign relations, said that not only had the Minrex completely met its scheduled 1984 activities, but that it had greatly exceeded its plan. He stressed the fact that at the present time Cuba has relations with 122 states, 120 at the ambassadorial level and 2 with consular representation.

Further Report

FL202022 Havana Domestic Service in Spanish 1700 GMT 20 Feb 85

[Text] Our contribution to the economic revolution should be made by a reduction in imports from capitalist and socialist countries, said Carlos Rafael Rodriguez, Politburo member of Cuba's Communist Party and vice president of the Councils of State and Ministers, on making the closing speech at the Minrex annual balance of reports assembly.

At the meeting, Isidoro Malmierca Peoli, foreign relations minister, said that because of its 1984 work results, the Minrex would head the public administration union's parade on 1 May.

MACHADO VENTURA PRESIDES OVER UJC MEETING

FL181644 Havana Domestic Service in Spanish 1100 GMT 18 Feb 85

[Text] The delegates to the Union of Young Communists' [UJC] reports assembly in Villa Clara have decided, as their first agreement, to send Commander in Chief Fidel Castro a letter on the work the youth of this province will do in support of the people's economic battle.

The meeting was presided over by Jose Ramon Machado Ventura, Politburo member. The balance report and work objectives for the next period incorporated among other matters the pledge to achieve better results in worker education and greater worker productivity by the young workers.

The document also called for a better interpretation of conservation measures, which in some cases have been modified or misunderstood by managers, which could negate this effort.

Meeting Closes

FL181858 Havana Domestic Service in Spanish 1700 GMT 18 Feb 85

[Excerpts] Jose Ramon Machado Ventura, Politburo member, has closed the seminar for UJC first secretaries from the provinces and municipalities.

During the event, Carlos Rafael Rodriguez, Politburo member and vice president of the Councils of State and Ministers, Armando Hart Davalos, Politburo member and minister of culture, Jose Ramon Fernandez, Central Committee member and minister of education, and Carlos Aldana, Central Committee member and chief of the department of revolutionary orientation, and other leading party and government members gave speeches.

SALVADORAN FMLN-FDR ISSUES COMMUNIQUE ON DIALOGUE

PA170109 Havana International Service in Spanish 0000 GMT 17 Feb 85

[Text] The FMLN-FDR of El Salvador has stated in a communique that the future of the dialogue between the government and the insurgents is in the hands of President Jose Napoleon Duarte, who is being pressured by the oligarchy and sectors of the Army not to resume the negotiations with the guerrillas. The document adds that if the dialogue is definitely suspended because of these pressures it would prove that the structure of power in El Salvador has not changed and that it continues to be dominated by the minority sectors that oppose a political solution to the national conflict.

The FMLN-FDR has urged Salvadoran people and the organizations representing them to struggle for the resumption of the talks between the government and the patriotic forces.

Another report issued in San Salvador states that the Salvadoran Army has increased the forceful recruitment of youths in the past few weeks. This has provoked protests from many political and social sectors. Colonel Reynaldo Lopez Nuila, Salvadoran deputy security minister, has announced that a draft bill on the compulsory military service will soon be sent to the Legislative Assembly. Meanwhile, the Salvadoran Legal Aid Office has charged that the Army, the security corps, and the paramilitary groups murdered 227 people in January.

UNECA MEETS 1984 FOREIGN CONSTRUCTION GOAL

FL202028 Havana Television Service in Spanish 1800 GMT 20 Feb 85

[Text] The foreign construction program was fulfilled last year. In 1985, over 4,000 construction workers, members of the Union of Caribbean Construction Enterprises [UNECA], are determined to increase production so the country can obtain more income in foreign currency. At present, the UNECA workers are performing projects in Angola, Libya, Iraq, Congo, Algeria, Nicaragua, Laos, and Guinea, among other countries.

GRENADA

SYSTEM OF LOCAL GOVERNMENT UNDER STUDY

FL202038 Bridgetown CANA in English 1858 GMT 20 Feb 85

[Excerpts] St George's, Grenada, Feb 20, CANA -- After a 15-year break, a local government regime is returning to Grenada. The return was a pre-election promise by Prime Minister Herbert Blaize, whose party was dominating local government councils when the Labour Party government ordered a dissolution in 1969. The plan is to set up a network of village and district councils with limited responsibility for road maintenance, primary health, sanitation, water supply, and school buildings.

Local Government Minister Dr Francis Alexis has spent the last four weeks sounding out Grenadians' views on the plan. We have been overwhelmed by the response of Grenadians at these public meetings, he said, and the quality of the points made will be of great value in drawing up our final proposal. That final proposal, he said, will be ready by the middle of March and will be followed up by another round of public consultations.

Grenadians first had a measure of local government 99 years ago when parochial boards were set up in each of the country's seven parishes. The system developed into district boards and the capital city, St. George's, was made a municipality in 1961, but local government was abruptly abolished 16 years ago.

From January to February 20, Alexis held a series of meetings throughout the country to discuss the government's position paper. That paper proposed a system based on village councils, each representing 500 to 700 people. The recommendation is to set up about 75 such councils, each having seven elected members. Additionally, each council would have two central government nominees and two ex-officio members, one probably being the school principal.

The village councils would be responsible for general welfare of the village, including road maintenance, primary health, sanitation, and water supply.

The village councils in a district would elect two representatives to the district council. In addition, that council would comprise 10 elected members, three central government nominees, and two ex-officio members -- the district medical officer and the road officer. District councils would have responsibility for district road maintenance, health centres, and school buildings. The central government has proposed a paid executive for these councils to administer state grants.

It's not yet clear how soon the local government regime will be back in place but, judging from Dr Alexis' remarks, most Grenadians seem to think the sooner it happens the better.

JAMAICA

SEAGA ADDRESSES PARLIAMENT ON ECONOMIC SITUATION

FL201744 Bridgetown CANA in English 1710 GMT 20 Feb 85

[By Paget de Freitas]

[Text] Kingston, Jamaica, Feb 20, CANA -- Prime Minister Edward Seaga told Jamaicans last night that there were no alternatives to his harsh austerity for dealing with the country's economic problems. The choice is not between pain and pleasure, but between pain and more pain, Seaga declared as he urged Jamaicans to support his policies in a speech in Parliament broadcast live by radio and television.

He signalled to the nation that more sacrifices will be required because of Alcoa's closure of its 550,000 tonne alumina refinery and continued uncertainty in the bauxite-alumina industry.

The only consolation most Jamaicans could take for short term betterment from Seaga's statement was the prime minister's optimism that the local dollar would within a few weeks start reversing a prolonged tumble against the U.S. dollar, slowing down rocketing price rises.

Under an International Monetary Fund (IMF) adjustment programme, Seaga has had to cut public spending and subsidies to reduce fiscal deficits, retrench thousands of public sector employees, and sharply devalue the Jamaican dollar. The Jamaican dollar, since an initial 43 per cent devaluation 14 months ago, has been allowed to float against the American currency, with the rates determined by twice-weekly auctions run by the Central Bank. The upshot of Seaga's programmes has been a fall in living standards here and increasing criticism of his administration.

No one deliberately chooses a course which increases costs to the pockets of families or results in lay-offs, Seaga said. This course becomes inevitable because of the unavailability of reserves which were wiped out in the 1970's, higher costs for oil, and the devaluation of the Jamaican dollar which is essential for the build up of tourism, agriculture, and manufacturing, to earn foreign exchange to replace the foreign exchange lost by reduced bauxite levy inflows.

Seaga has maintained that most of the island's economic problems were the result of the policies of the Socialist Michael Manley government which he replaced in 1980. The difficulties, he has argued, were exacerbated by the international recession of the last three years with its negative effect on Jamaica's bauxite industry where production fell from 12 million tonnes in 1980 to 7.7 million tonnes in 1983. Though output revived by a million tonnes last year, two companies have shut down operations -- last July Reynolds pulled out of the island and from today Alcoa is closing its plant indefinitely. The government says the Alcoa closure will leave a foreign exchange gap of around U.S. 40 million dollars and a shortfall in the coming fiscal budget of J125 million dollars. The foreign exchange loss will be half of the projected balance of payments surplus for fiscal 1985-86.

I wish I could tell you that the worse is over in this series of reversals in the bauxite industry, Seaga said. Unfortunately, worse may yet come if the signals we are now receiving are correct. The prime minister was apparently referring to the cloudy future of the Alpart (Alumina Partners) 1.1-million tonne alumina refinery because of the difficulty of one of its owners, Atlantic Richfield, in selling its near 27 per cent shares. Atlantic Richfield, whose other partners in Alpart are Kaiser and Reynolds, wants to get out of the metals business.

Seaga said that within the next few weeks his government would be finalising new ideas and new proposals to meet the changing situation in the industry. But, the prime minister conceded that there will be need for further corrective measures to deal with the problem. It was never our intention to ask the nation to endure a further year of severe adjustment... We are now bringing together all the prospects for the new financial year, including the declining prospects of the bauxite industry to structure a positive package of new measures, Seaga said.

In every way possible we will make the additional burdens on individuals as light as possible, but the level of further sacrifice will not be clear until I can report to you again on the measures we will need to take to overcome this most recent disastrous development, he added. Seaga maintained that the difficulties would have been greater had the government not embarked on the structural adjustment programme which was already showing positive effects in tourism, agriculture, and to a lesser extent, manufacturing.

But manufacturing was gearing for take-off with the devalued dollar making Jamaican products competitive elsewhere and giving the island scope beyond the tiny Caricom (Caribbean Community and Common Market) market.

Shrugging off critics who have been called for a fixed exchange rate and the allocation of foreign exchange based on priority needs, Seaga said the present auction system had not worked well, not because it was wrong in concept, but because we have not yet had the resources in the (Central) Bank of Jamaica to make it work. The build up of free and liquid resources by the Central Bank was only now beginning to take place, according to Seaga, as Jamaica reached the end of paying out all its arrears as agreed with the IMF. Once these resources materialise, as they will over the next few weeks, the auction will reflect a movement in the rate which will be to our advantage, he said.

For the first time this year, the Jamaican dollar at the auction gained six cents on the American dollar to set an exchange rate of J5.44 dollars to one U.S. after the Central Bank had put up U.S. 7 million dollars for sale against the average of U.S. 2 million dollars per auction.

Seaga said the rate would not have gone past the five dollar mark and stayed there had it not been for the gas price demonstrations here last month which caused visitor cancellations and a fall in tourism receipts. He said that targets under the current IMF agreement were achievable with a concerted final effort, only the gas price demonstrations had put this in danger. The government at the end of the fiscal year has to show a balance of payments surplus in the region of U.S. 125 million dollars.

ST VINCENT AND THE GRENADINES

NDP INCREASES PARLIAMENTARY MAJORITY

FL151914 Bridgetown CANA in English 1415 GMT 15 Feb 85

[Text] Kingstown, St Vincent, Feb 15, CANA -- The ruling New Democratic Party (NDP) increased its majority in the St Vincent and the Grenadines parliament when it captured the East St George constituency, an opposition stronghold, in a by-election yesterday. The NDP's Louis Jones, a customs broker, beat lawyer Donald Browne of the opposition St Vincent Labour Party by a convincing 2,284 votes to 1,550, according to preliminary figures released last night. The final result will be known today.

Jones reversed a 389 vote loss to former Prime Minister Milton Cato, whose retirement caused the poll, in a general election last July. Cato had held the seat since first winning it in 1971.

The victory gave the NDP a tenth seat in the 13-seat parliament. Last July the party captured the government for the first time, defeating the SVLP 9-4 in the election. Some 76.4 per cent of the electorate in the constituency voted yesterday, officials said.

URUGUAY

EXILED BROAD FRONT MEMBERS ARRIVE IN MONTEVIDEO

PY201512 Madrid EFE in Spanish 0000 GMT 20 Feb 85

[Text] Montevideo, 19 Feb (EFE) -- Juan Jose Mena, the only Uruguayan Broad Front left-wing coalition member who remained in exile, arrived today in Montevideo. Mena, who is a member of the 26 March independent faction, arrived in the capital along with Javier Munoz, another member of the same left-wing movement.

After Uruguayan immigration officials delayed them briefly at Carrasco International Airport, Mena and Munoz were authorized to enter the country. Numerous Broad Front members were at the airport to welcome the arriving 26 March members.

VENEZUELA

AD DENIES MAKING PACT WITH ALGERIAN FLN

PA182001 Caracas EL UNIVERSAL in Spanish 6 Feb 85 pp 1-12

[Text] The Democratic Action [AD] yesterday released a communique denying that it had signed any pact with the National Liberation Front [FLN] of Algeria or had conferred on former President Carlos Andres Perez special authority for this purpose.

The explanation, signed by Gonzalo Barrios and Manuel Penalver, president and secretary general respectively, refers to reports published by an international news agency to the effect that Perez, representing AD, and the FLN had issued a joint statement which, among other things, pointed out the need "to maintain direct contact, to increase the exchange of ideas, and to coordinate solving problems of every kind at the party level."

According to the news agency report published last Monday, the statement denounced the fact that "the economic policy of imperialism, racism, and Zionism is implemented under pressure, with the intention of neutralizing progressive forces."

Former President Perez spent 5 days in Algeria as the official guest of the FLN. He returned to Venezuela yesterday and it is expected that he will explain the situation today. The following is the communique released by the national leadership of AD:

Different sectors have asked Democratic Action to justify
Algeria by Companero Carlos Andres Perez in the name of the party, which according to news reports constitutes fairly serious international commitments.

In order to prevent misinterpretations, the party's leadership wishes to warn about the frequent distortions disseminated by news agencies, which in this case might not correspond exactly to those of former President Perez and his interlocutors in Algeria. This warning is justified because Democratic Action has not agreed to many of the commitments mentioned, nor has it conferred upon the companero special representation in this regard. Therefore, the party has no doubt that upon his return to Venezuela, Companero Carlos Andres Perez himself will definitely explain this situation and will dissipate the confusion caused by those news agency reports.

[Signed] Gonzalo Barrios, president

Manuel Penalver, secretary general